

Cleveland Opportunity Corridor

Economic Growth Strategy

Phase I Report

October 10, 2016



Introduction

The Opportunity

State and local governments are investing more than \$330 million in a roadway connecting the City of Cleveland's two most significant hubs of economic activity: downtown and University Circle. This roadway - dubbed the "Opportunity Corridor" – traverses a diverse set of neighborhoods that are well-located and asset-rich, but long-disinvested. The investment in the roadway occurs at a moment in which macro forces are aligned to catalyze long-term, large-scale urban change. This project aspires to begin setting the stage for seizing the opportunities created by the roadway, in the context of those over-arching urban dynamics, by identifying potentially transformative development opportunities which align regional market forces, neighborhood aspirations and available land characteristics.

Development of the Opportunity Corridor roadway and the communities that overlap with and surround its path is occurring in the context of the emerging "next economy," which presents new opportunities for cities and their neighborhoods. As people and firms increasingly seek to locate in dense, urban environments, new types of economic uses – residential, commercial, industrial, etc. – are emerging and co-locating in more varied combinations, generating a diverse, mixed-use pattern of development and dense, interconnected nodes of activity. Examples of this "economic place-making" range from innovation districts to mixed-use neighborhood redevelopment strategies to repositioning of entire industrial corridors. This new economic geography reflects that market forces are aligned to facilitate transformation of well-located, well-connected urban neighborhoods like those in the area around the Opportunity Corridor. The desirable location close to downtown and University Circle, extraordinary latent land assets, an underemployed workforce and the forthcoming gains in connectivity associated with the Opportunity Corridor roadway genuinely create a moment of opportunity for this set of neighborhoods.

More than just a major investment in transportation infrastructure, the Opportunity Corridor has the potential to reshape the economic geography of northeast Ohio for decades to come. The roadway will not only enhance access to the communities that have previously been disconnected from nearby opportunities, it can leverage the "next economy" dynamics already leading to new urban growth forms to reorganize the urban fabric in this part of the city, creating a new East Side. This broader conception of the Opportunity Corridor project – as not simply a roadway, but a once-in-a-generation opportunity for transformative development – can drive a new level of neighborhood growth and prosperity, contributing to and helping drive inclusive regional economic growth. It has the potential for new business development, high-quality employment, wealth-building through entrepreneurship, enhanced amenities and higher quality of life for local residents, in tandem with augmented economic growth and stability for the city and region.

But this won't happen of itself: a bit of market making and leading is in order (and is inherently underway just by virtue of construction of the roadway). To realize the full potential created by the Opportunity Corridor, it is necessary to understand and triangulate (1) neighborhood characteristics and desired trajectories, (2) viable new economic uses grounded in regional markets and (3) developable land.

This requires two things: first, a unified, strategic, long-term vision and implementation plan for linked development of the neighborhoods and the region. This vision and the strategies to implement it must be integrated across existing neighborhood boundaries, including, e.g., related to demographics, employment, housing, retail, infrastructure and other activities driving neighborhood and business development. Second, “going big” with respect to the Opportunity Corridor also means engaging in “big civics” – developing the capacity, mechanisms and civic infrastructure both to craft a common vision for the Corridor area and to implement it, starting with short term “wins,” and growing to long-term transformation. From a very practical perspective, construction of the Opportunity Corridor roadway is going to bring change to the surrounding communities whether or not there is a coordinated vision for their future. Creating and implementing a shared vision and capacity gives local and regional actors with a stake in these communities a mechanism for not just reacting or responding to changes, but leading, leveraging and shaping them toward desired development outcomes. In short, the communities and stakeholders have an opportunity to conceive, “own” and drive major economic development.

The case for “going big” – leveraging the roadway to drive transformative change for the neighborhoods and region – is compelling: seizing this moment is not just a matter of opportunity, but of necessity. In this economy, the cities with the least inequity do best in the long run, because they don’t waste their people, urban land and other assets.¹ Growth and equity no longer conflict (if they ever did), but instead new approaches to inclusive growth focus on asset- and market-based development to use inclusion as an essential driver of growth.² Developing the neighborhoods and their assets is a critical part of driving city and regional growth. A vital, productive and prosperous East Side is an essential part of the transformation and rebirth of the Cleveland area.

Current Scope of Work

This document is a confidential and preliminary report to the Fund for Our Economic Future (Fund) based on an initial phase of work conducted by a team comprised of RW Ventures, LLC (RWV); Mass Economics; Bishop Land Design, LLC (BLD); LCR Enterprises, LLC (LCR); and Allegro Realty Advisors, Ltd. (Allegro) – collectively, the “project team.”

In May 2015, the team³ responded to an RFQ released by the Fund seeking development of an Economic Growth Strategy (EGS) for the Opportunity Corridor. The requested scope of work focused on strategic opportunities for industrial land development, creating job and other opportunities for the neighborhoods along and near the path of the roadway.

The team conducted an initial site visit to interview stakeholders and explore the scope of work. As a result of the site visit, the team recommended that:

¹ See, e.g., Robert Weissbourd and Christopher Berry, “The Changing Dynamics of Urban America” (Cleveland: CEOs for Cities, 2004), at <http://www.rw-ventures.com/publications/downloads/Changing%20Dynamics%20report.pdf>; Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, “Redistribution, Inequality, and Growth,” *IMF Staff Discussion Note* (April 2014), at www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf; OECD Directorate for Employment, Labour, and Social Affairs, “Does Inequality Hurt Economic Growth?” *Focus on Inequality and Growth*, 9 (December 2014).

² See draft business plan for the Regional Growth Innovation Network (RGIN), available on request from the authors.

³ Initially, Allegro submitted a proposal separate from that of the rest of the RWV team; the two teams subsequently merged, at the encouragement of the Fund.

- The EGS should “go big” in the sense of viewing the opportunity as about neighborhood transformation, and approaching the industrial development deals in that context. This does not mean the scope of the project team’s work would encompass comprehensive neighborhood development, but rather that it would sufficiently engage with neighborhood planning to assure the two streams of work (industrial development and neighborhood development) are fully aligned and inform each other. Fundamentally, the goal is to assure that the industrial development goes beyond a series of one-off deals to, combined with other development activity, create a “whole greater than the sum of its parts; and
- “Going big” requires broader and deeper “civics” – building a shared, transformative vision for the future of the Corridor entails creating an engagement, management and implementation infrastructure through which all of the stakeholders, from local CDCs to regional firms potentially investing in the Corridor, can help create and “own” the vision and work. Again, this does not mean the project team’s scope would entail creating this infrastructure, but rather that the project work would be designed to help build it, and that EGS success would ultimately depend on others creating this broader civic platform.

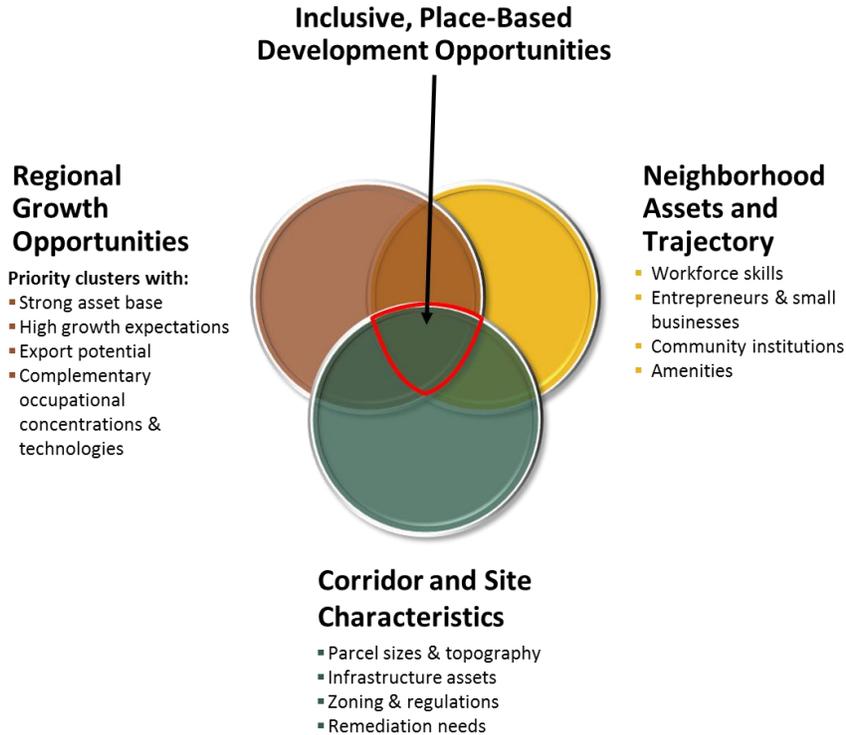
Given the need for the work to be informed by broader neighborhood context and civics, as well as the City of Cleveland’s slow-down on Corridor-related work, the Fund and the project team agreed to begin with a discrete, “quiet” first phase of work on the EGS. The scope of this phase aims to synthesize and push forward existing work, build momentum, develop insights into preliminary strategic direction and lay the groundwork for further refinement of uses and priority sites in future stages of work. The team’s stated goals for this first phase are to:

- Gain a better understanding of the regional cluster opportunities and their potential suitability for the Opportunity Corridor area, including particularly the potential of specific types of economic uses⁴ within those clusters to leverage neighborhood assets and those uses’ demand for particular types of land/locations;
- Begin to apply RWV’s “neighborhood business planning” methodology, engaging directly with the area’s CDCs and their key stakeholders to better understand existing neighborhood plans, ambitions, and assets; and neighborhood stakeholders’ visions and likely trajectories for their communities; and
- At a high level, gain a better understanding of the characteristics of the land assets that may be available for redevelopment, and begin to explore how the promising cluster-based economic uses

⁴ “Economic uses” refer to the types of functions and activities that are associated with a business enterprise, at a level of specificity that goes deeper than an industry or cluster definition. For example, the food cluster includes uses such as urban agriculture, food processing, wholesaling and distribution, supermarkets, restaurants, farmer’s markets and many others. In the context of this report, the project team focuses on industrial and commercial uses that represent opportunities for regional economic growth and for generating employment, entrepreneurship and supply chain opportunities for residents and businesses in the Opportunity Corridor area. Among the range of possible uses, the team has focused on those that do not primarily provide consumer amenities. This excludes from the analysis, therefore, uses such as retail, restaurants, consumer services (e.g., salons, drycleaners, car washes, etc.) and entertainment uses.

and neighborhood characteristics, above, inform a preliminary matching of uses to sub-areas of the Opportunity Corridor.^{5,6}

These three things converge – as the goal is to explore and seek their intersection, with the aim of identifying a preliminary set of industrial development opportunities to drive inclusive growth and economic place-making.



The outcomes of this phase provide four types of insights (for further specification in a next phase):

- Preliminary, coordinated vision for the Opportunity Corridor area and its constituent neighborhoods;
- Promising economic uses and initial ideas on where in the Opportunity Corridor area they might be best located to align with neighborhoods’ trajectories, land and infrastructure characteristics, etc.;

⁵ The team went considerably beyond the anticipated land analysis for this phase, the agreed-upon scope of which included only examination of the characteristics of land assets in three small zones identified by the Fund, CDCs and other stakeholders as high-priority for development.

⁶ This phase of work aims to begin making progress on both the substance necessary to inform the EGS (economic uses, land assets, neighborhood assets and trajectories) and the “civics” required to reach buy-in and eventually implement it. It is, however, a preliminary and exploratory phase of work: in this phase, the team does *not* aim to develop full-fledged NBP (or any components thereof – e.g., housing or retail strategy) for the neighborhoods/CDCs; develop or engage in a comprehensive “civics” strategy or outreach effort; identify specific target firms to attract to the Corridor; develop detailed “deal sheets” or site plans for specific development projects; nor engage investors or developers who might execute specific deals.

- Identification of other development parameters or issues that have surfaced as essential to the success of the Opportunity Corridor EGS; and
- Articulation of a next phase of work to further specify the EGS and move toward implementation of specific development projects.

Document Roadmap

The remainder of this report is organized as follows:

- I. **Vision:** Building from existing plans and visions of local CDC partners, Section I describes an over-arching vision for the future of the Opportunity Corridor area, in the context of a changing economy – one in which inclusion is an economic imperative for sustainable growth, neighborhoods’ fortunes are closely tied to those of their metropolitan regions, and a “new urbanization” dynamic creates opportunities for transformation. To realize this vision, mutually reinforcing strategies are needed that address (a) the Corridor area as a set of “communities of choice” – who will live there, and the housing and amenities will attract and retain them; and (b) the types of economic uses that will locate and grow there.
- II. **Implications for Coordinated Neighborhood Planning and Investment:** Section II focuses and builds on the “communities of choice” aspects of the vision. It identifies sub-geographies of the Corridor area (“Neighborhood Development Zones”) that share some common attributes today and are likely to follow a common future trajectory, and describes in more detail how their trajectories as residential communities contribute to the over-arching Corridor area vision. Developing strategies for these neighborhood development elements (e.g., housing, retail, etc.) falls outside the scope of the project team’s current work, but the way they will unfold and be coordinated across the Corridor area will inform and be informed by the strategies developed for its industrial and commercial land.
- III. **Preliminary Economic Use Scenarios:** Section III – the heart of this report and the primary output of the current phase of work – focuses on the economic uses aspect of the vision described in Section I. A set of local and regional clusters are analyzed, and emerging uses that align with the Corridor vision are identified for the most promising clusters. A preliminary set of sub-areas (“Economic Growth Zones”) are identified within the Corridor area – based on common land characteristics, existing business types, neighborhood attributes and trajectory, etc. – and promising economic uses are preliminarily matched to each zone.
- IV. **Other Elements to Support Corridor Transformation:** Section IV surfaces an array of activities that lie beyond the project team’s scope, but are necessary to facilitate the preliminary economic use scenarios and the broader Corridor area vision. These include efforts related to developing “big civics” to shape and implement the vision over the long term, facilitating physical development, complementary business and workforce development activities and quality-of-life investments and amenities.
- V. **Illustrative Staging of Corridor Development:** Based on the vision and preliminary economic use scenarios, Section V outlines one example of how development activities and neighborhood transformation in the Corridor area might stage over time.
- VI. **Next Steps**
- VII. **Conclusion**

A separate Appendices document includes additional detailed material – e.g., maps, tables, etc. – in three sections:

- **Appendix I: Corridor Area Overview and Vision**
- **Appendix II: Economic Use Scenarios**
- **Appendix III: Land Characteristics**

I. Vision for Opportunity Corridor Area

Highlights:

- Global economic dynamics are aligned to drive inclusive growth in urban neighborhoods.
- Given their assets and advantageous location, the diverse set of Corridor area neighborhoods are not realizing their full potential. They are well positioned to take advantage of and benefit from global economic dynamics.
- The Corridor area needs a unified, coordinated vision to realize its full potential and achieve transformative change.
- The high-level vision for the Corridor area is a mixed-use hub of economic activity and diverse, interconnected residential communities.

The vision for the Opportunity Corridor area – including its implications for both neighborhood development and economic uses – is informed by three over-arching economic dynamics:

1. Inclusion is imperative to economic growth. Sustainable economic growth is best achieved through inclusiveness, rather than polarization in the economy; and poverty alleviation can best be achieved through moving underinvested people, businesses and places into the economic mainstream. From an economic efficiency perspective, this is an obvious point: excluding particular populations or sub-regional geographies wastes economic assets – human capital, businesses, land and other fundamental inputs to economic growth remain latent or under-deployed. In addition, segregation and economic exclusion incur the high economic and social costs of poverty. Further, achieving inclusive growth is best pursued not as a separate endeavor, but as an integral part of all economic growth efforts.⁷
2. The economic fate of neighborhoods and regions are inextricably linked. Neighborhoods do not have economies of their own – rather, they are nested in regional economies, and the two succeed or fail together. In the context of the regional economy, neighborhoods play two inter-related and mutually reinforcing roles:
 - *Communities of opportunity*, developing local assets (people, businesses, land/real estate) and deploying them in the regional economy. This means connecting, e.g., residents to in-demand occupations; aspiring entrepreneurs to ownership opportunities in promising clusters; businesses to growing supply chains and new customers; land assets to clusters seeking to expand; and so on. This report focuses primarily on one of these “opportunity” factors: developing and deploying local land assets, specifically industrial and commercial land.
 - *Communities of choice*, serving as desirable, vibrant places to live for particular population segments (e.g., young singles, starter-home families, immigrants, seniors) attracted by the community’s unique combination of housing, retail and other amenities.⁸
3. “New urbanization.” Urban growth form is changing: people are moving back to density for access to transit and walkable, mixed-used communities. At the same time, businesses seek more compact,

⁷ For a more thorough discussion of the inclusive growth imperative, see the draft business plan for the Regional Growth Innovation Network (RGIN) and its appendices, available on request from the authors.

⁸ For a detailed articulation of the roles of neighborhoods in regions, see *The Greater Chatham Initiative: Comprehensive Plan for Economic Growth and Neighborhood Vitality*, Chapter I: The Foundations of Economic Growth Planning (<http://www.greaterchathaminitiative.org/plan/>).

urban environments close to their desired workforce, and that enable more fluid interactions between firms and supporting institutions (universities, business associations, research labs, etc.).

Neighborhoods are always in motion – even stable neighborhoods are continually renewing their population and amenities. These dynamics of the next economy, accelerated by the construction of the roadway, will bring change not only by creating new opportunities for industrial and commercial development, but also by shaping who will live, shop and play in the Corridor area’s neighborhoods in the future.

The vision for the Opportunity Corridor area needs to be coordinated across its various neighborhoods with regard to both the redeployment of industrial and commercial land and the “community of choice” dimensions in order to successfully foster transformative economic activities and strong communities. The geography for the integrated vision includes the set of neighborhoods that overlap with and immediately surround the future pathway of the Opportunity Corridor roadway: Slavic Village, Central, Kinsman, Fairfax, University Circle, Buckeye-Woodhill and Buckeye-Shaker Square (an overview map, including a set of illustrative anchor institutions and firms, is provided for reference as Appendix Exhibit I-1).⁹ Throughout this document, this aggregate geography is referred to as the “Opportunity Corridor area” or “Corridor area.”¹⁰

Note: There is a strong desire among stakeholders to rebrand the development and implementation of the Economic Growth Strategy as something wholly distinct from the construction of the Opportunity Corridor roadway itself. There is also a case for developing a new way to identify the geography that is the subject of the Economic Growth Strategy (i.e., the neighborhoods that overlap with and surround the roadway). As of the drafting of this report, new terminology has not yet been developed for the EGS or its target geography. Therefore, for the purposes of this document, the terms “Opportunity Corridor area” and “Corridor area” are used to describe the geography for the sake of clarity.

Neighborhoods’ Characteristics and Roles

The communities that comprise the Opportunity Corridor area are among the oldest in the City of Cleveland, and have played distinct roles as communities of both opportunity and choice. Initially, they attracted European immigrants, drawn to their convenient location and streetcar access to downtown; and manufacturing businesses, which benefited from plentiful rail infrastructure and a rich pool of nearby workers. Each community developed its own set of strong local institutions and amenities, including churches, arts and culture, retail districts. University circle, in particular, over time became home to a wealth of region-wide cultural, educational and medical destinations.

⁹ Note that the Buckeye-Woodhill and Buckeye-Shaker Square neighborhoods were examined less closely in this phase of work than the other neighborhoods. The team’s understanding is that they may be in transition with regard to CDC service area and leadership, so engagement in those communities was deferred to a future phase of work.

¹⁰ While the roadway will have far-reaching impacts for the City and the metropolitan area, these boundaries reflect the geographic scope in which the most significant economic and neighborhood impacts are anticipated to occur. I.e., this these neighborhoods are anticipated to experience the majority of physical redevelopment and investment as a result of its construction. The boundaries put forth here are not rigidly defined, but rather put forth a reasonable geographic framework within which to begin shaping a future vision.

Many of these solid, mixed-use communities faced challenges to their vibrancy beginning in the middle of the 20th century. Business activity waned as the national decline in the manufacturing economy impacted local establishments and their workers. The population also changed, as multiple public housing developments were constructed, and most of the area transitioned to majority African American. Haphazard land use planning juxtaposed incongruous uses, while rail infrastructure and increasing amounts of vacant land resulted in fragmentation and poor connectivity across the neighborhoods.

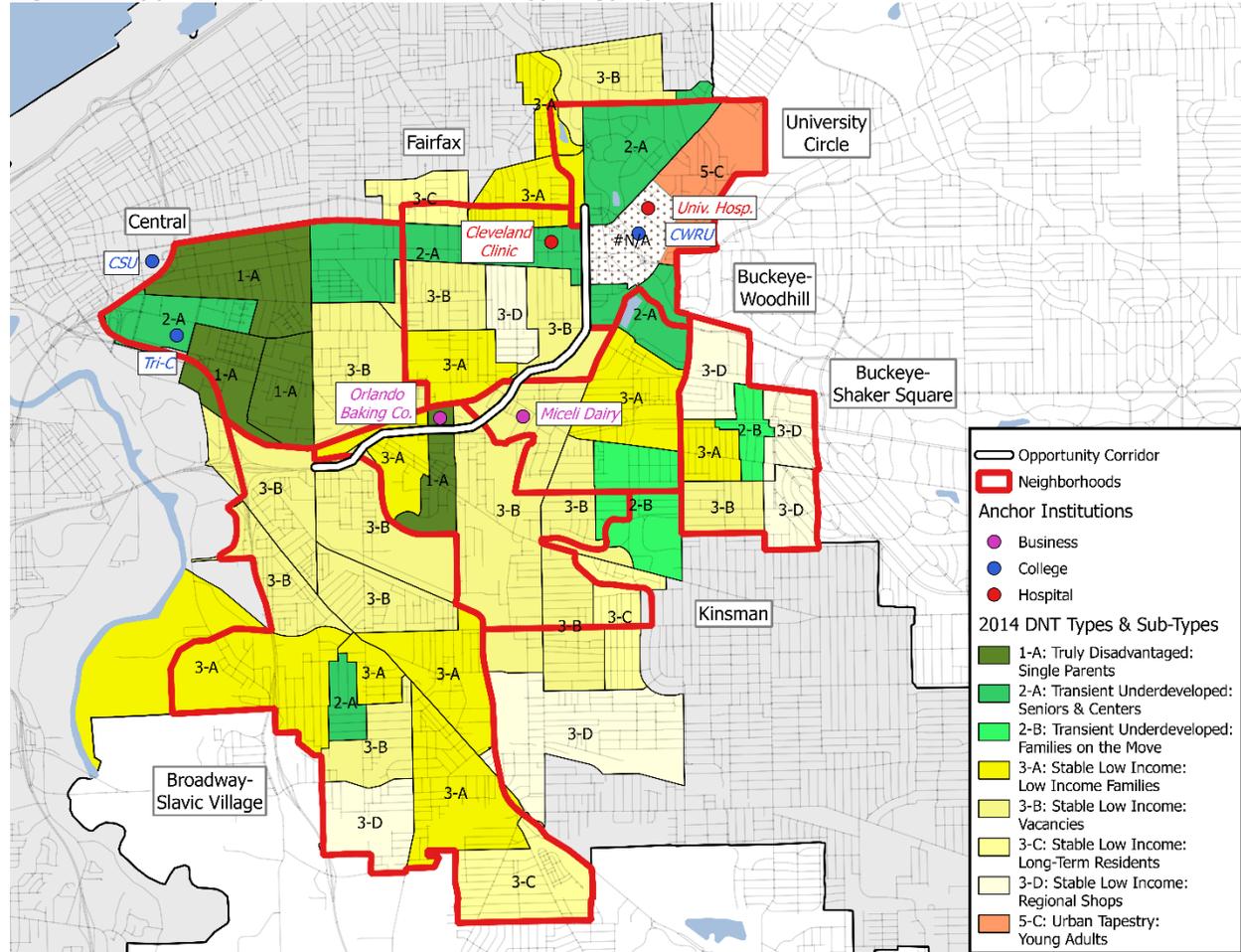
Most of the Opportunity Corridor area communities are struggling to varying degrees, following decades of disinvestment and the more recent impacts of the housing market crash and foreclosure crisis. At the same time, they possess a number of assets that provide a foundation on which to build a more vibrant future, as both communities of opportunity and choice. These neighborhoods still hold a locational advantage – close to downtown, accessible via both highway and transit – and house valuable regional assets in the form of the workers, businesses and institutions that remain. Numerous dedicated community development corporations (CDCs) are actively working to strengthen their service areas' housing, education, amenities and access to training and employment (among other efforts).

As one way of capturing the current status and recent trajectory of the Opportunity Corridor neighborhoods, the project team applied the neighborhood typology (technically, “dynamic neighborhood taxonomy,” or “DNT”) developed as part of the national “Dynamic Neighborhoods” project.¹¹ A map of the typology results for the Opportunity Corridor area as of 2014 is displayed on the following page.¹²

¹¹ DNT uses hierarchical clustering based on 23 variables describing land, business and population characteristics of a neighborhood. For present purposes, the top two “levels” of the hierarchy are used, assigning each neighborhood to one of nine types (e.g., type 3) and one of 33 sub-types (e.g., type 3B). For more information on the methodology, and descriptions of each of the types and sub-types, see Weissbourd, Bodini and He, *Dynamic Neighborhoods: New Tools for Community and Economic Development*, Living Cities, September 2009, Chapter VII (<http://www.rw-ventures.com/ftp/DNT%20Final%20Report.pdf>) and the associated Appendix I (<http://www.rw-ventures.com/ftp/DNT%20Final%20Report%20APPENDICES.pdf>).

¹² DNT typology maps for 1990 and 2000 are available as Appendix Exhibits I-2 and I-3.

Figure 1: Opportunity Corridor Area, DNT Typology by Census Tract, 2014¹³



The Opportunity Corridor area is comprised of census tracts that are classified as one of four types:¹⁴

- Type 3: Stable Low-Income
- Type 2: Transient Underdeveloped
- Type 1: Truly Disadvantaged
- Type 5: Urban Tapestry

The Opportunity Corridor area is diverse in its population, businesses and physical attributes, and the neighborhood typology seems to capture this variation relatively well (including based on CDC and other stakeholder feedback¹⁵). The predominant Type is “3: Stable Low-Income,” reflecting the area’s primary

¹³ A DNT type was not calculated for the tract labeled as “#N/A” – the location of Case Western Reserve University and University Hospitals – due to insufficient data. The DNT framework is designed to describe neighborhood change, which is driven by who moves into and out of a neighborhood. This tract is home to too few households (65 households, reflecting fewer than 150 individuals) to determine a meaningful DNT type.

¹⁴ Descriptions of these four types are available as Appendix Exhibit I-4.

¹⁵ Half-day working sessions were held on June 30 with staff of Burten Bell Carr Development, Inc. and Slavic Village Development, and on July 27 with staff and stakeholders of University Circle, Inc. and Fairfax Renaissance

role as a bedroom community for modest-income households. Type 2 (“Transient Underdeveloped”) areas – which, among other attributes, tend to have high presence of social service and other non-profit entities – are generally located around the Corridor area’s perimeter. The most distressed areas (“Type 1: Truly Disadvantaged”) largely coincide with concentrations of public housing properties. A single tract in University Circle deviates from the overall pattern of types, and is classified as “Type 5: Urban Tapestry.” Within each type, sub-types reflect more nuanced differences in retail presence and diversity, levels of vacancy, age distribution and other characteristics (e.g., Type 3D tends to have greater retail presence than other Type 3s).

The Opportunity Corridor area neighborhoods are constantly changing. Change will accelerate and take on new directions as a result of “new urbanization” dynamics and the construction of the roadway. Every type of neighborhood area has the potential to follow one of a number of potential transition paths or change trajectories.¹⁶ The time is right for stakeholders in these communities to determine whether and how they want to change – what population segments they want to target for attraction and retention (“community of choice” dimensions) and what role they want to play in the regional economy (including particularly which economic uses they want to attract and grow).

Future Vision

To craft a first cut of a vision for the Opportunity Corridor area, the project team examined the neighborhoods’ current status (above), reviewed CDCs’ existing plans and recent investments, and engaged key CDC partners in a first round of conversations about the long-term vision for their communities. This forward-looking vision builds on the CDCs’ individual visions and aspires to tie together the diversity of the Corridor area, leveraging its many assets and addressing its challenges in a coordinated way, toward an integrated and prosperous future.¹⁷

Construction of the Opportunity Corridor roadway creates a critical moment for catalyzing meaningful and sustainable change, and driving inclusive growth, in the broader Corridor area. Over the next several years,¹⁸ construction of the roadway itself will not only improve access to the surrounding area from elsewhere in the region, it promises to be a long-term “game changer” within the Corridor area. It will reorganize the urban fabric, allowing for new connections and adjacencies among uses, and making areas that are currently isolated by physical barriers – e.g., infrastructure, extreme topography, other natural features or lack of transit options – more interconnected with one another.

Development corporation. A 90-minute webinar was conducted with a small group of Burten Bell Carr stakeholders on August 26.

¹⁶ For an analysis of transition paths across neighborhood types, see *Dynamic Neighborhoods* (note 11), “Transitions Between Neighborhood Types,” p118.

¹⁷ Note that the target population, housing characteristics and B2C (business to consumer) amenities described for each NDZ are necessarily high-level and generalized, and are not intended to supersede or exclude the particular goals and investments articulated by the CDCs for their respective service areas. Rather, they aim to reflect the over-arching goals articulated by each CDC and synthesize these details into an aligned vision for the broader Corridor area.

¹⁸ The most recent timeline from Ohio DOT anticipates Section 1 (E 105th Street, north of Quebec) will be completed fall 2017; Section 2 (Quebec to E 93rd Street) by fall 2018; and Section 3 (E 93rd Street to I-490) by the end of 2019.

Continued development in the Health Tech Corridor and around University Circle will grow demand to live and play in this part of the City. This new urban fabric will generate market interest and garner investment in ways and at a scale not previously seen in this location. CDCs working in the Opportunity Corridor area continue to work diligently on a broad range of “opportunity” and “choice” issues, including job training and placement, urban agriculture, housing, retail, open space and other amenities. In combination, and if deliberately and strategically aligned with one another, these activities provide a strong framework for driving transformative change in the Opportunity Corridor area.

Given all of this, the Opportunity Corridor area has the potential to become the thriving heart of Cleveland’s East Side – the next big destination for residents seeking a more urban lifestyle and location, following on the heels of Detroit Shoreway, Tremont, Ohio City and other west-side neighborhoods that have grown in popularity in recent years. The area is envisioned as a vibrant, interconnected set of communities that exhibit a high degree of diversity in their population, including a range of ages, ethnicities, household types and income levels. Some sub-areas will likely remain stable, modest-income bedroom communities (akin to DNT type 3s), while others will see their population shift to varying degrees as current and new residents come together (e.g., more akin to DNT type 5s). Retail, restaurants, services and other quality-of-life amenities will support a daytime worker population (see below), as well as the needs of the families, seniors, students and other populations living in various parts of the Corridor area. The Opportunity Corridor area will be an inclusive set of communities, enabling current residents to thrive in place, while creating a welcoming and attractive environment for new households seeking to move into the city’s urban core.

Naturally, this vision will not play out uniformly across the Opportunity Corridor area. The neighborhoods are not currently homogenous, nor will they be in the future. Instead, the elements of the vision will unfold from west to east in various combinations. With regard to the characteristics of neighborhood residents and the amenities that will attract and retain them (the “choice” dimensions), the western portions of the Opportunity Corridor area are envisioned as home to smaller households, with fewer children than in other portions of the Opportunity Corridor area, including a mix of students, faculty and staff at Tri-C and CSU; and entrepreneurial small business owners with a “DIY” philosophy. The central portions of the Corridor area are anticipated to be home to primarily working- and middle-class families in various forms (including, e.g., multi-generational households, single-parent households, etc.), many of them with children. In the eastern end of the Corridor area, the household mix is more likely to lean toward students, faculty and staff at the nearby anchor institutions, as well as other white-collar households, some with children present. Throughout the Corridor area, consumer goods and services and other amenities (e.g., schools, parks, etc.) will be tailored to meet the needs of the local population profile.

The Opportunity Corridor area is also envisioned to be a thriving center of economic activity. It is anticipated to be a hub of next-economy industries and jobs, forming the foundation for a long-term, prosperous business presence and employment base on the city’s East Side. The businesses locating on the Corridor area’s currently underutilized land will be economically sustainable, in that they will build on the area’s existing strengths – e.g., “eds and meds,” urban agriculture, manufacturing – and complement, rather than compete with, business development efforts in other parts of the city.¹⁹ The array of new economic activities will also be inclusive: new and existing businesses will span the spectrum of pink-, blue- and white-collar activities, and employ workers with a wide range of skills and

¹⁹ For example, the Health Tech Corridor, Industrial Valley, downtown, inner-ring suburbs, etc.

education. New businesses will be concentrated in industries and uses that offer entry-level workers opportunities to advance, and that pay livable wages. Some of the workers employed in the Corridor area will also choose to live there – or already do – with their families, making it a true work/live/play environment.

Similar to the residential diversity described above, the Corridor area vision contemplates a continuum of economic uses that unfolds from west to east. The mix will transition from primarily manufacturing and blue-collar service businesses (e.g., food and other light manufacturing, building maintenance and equipment repair businesses, doer/maker spaces, etc.); to a higher proportion of white-collar “back office” uses (e.g., records management, equipment sterilization and other services for “eds and meds” anchors; payroll and HR services for downtown headquarters, etc.); to more knowledge- and technology-intensive uses like R&D, engineering, design and accelerator/incubator spaces.²⁰

Physically, the vision for the Opportunity Corridor area contemplates a well-connected, sustainable urban place. The area will be easily navigable not only by cars, but also for residents and workers who opt to travel by bicycle and on foot. Where possible, infrastructure elements will incorporate environmentally friendly practices – e.g., to manage stormwater runoff – and investments in cutting-edge business infrastructure such as high-speed broadband will contribute to an attractive, business-friendly environment.

In order to move toward this coordinated, high-level vision for the Opportunity Corridor area, many different types of activities and investments need to be aligned area-wide. The geography at which that coordination should occur varies by type of activity – and often will not adhere to neighborhood or CDC service area boundaries. For example, local housing sub-markets and catchment areas for various types of retail tend to deviate from government, planning and other administrative boundaries such as municipalities, neighborhoods, taxing districts and so on. Sub-areas of the Corridor area will grow and change together based on their common assets, markets, networks and other characteristics. To be effective, neighborhood planning and investment strategies should be coordinated across these “on paper” boundaries to effectively target them to the actual market and economic geographies at which these activities are taking place.

To coordinate the “community of choice” and economic use strategies throughout the Opportunity Corridor area, the team identified preliminary zones: one set of zones for *neighborhood* development activities (primarily focusing on the area’s character as a place to live); and one set of zones for coordinating *economic* activities on vacant and underutilized land throughout the Corridor area. These have been dubbed “Neighborhood Development Zones” (NDZs) and “Economic Growth Zones” (EGZs), respectively. It is important to note that the vision articulated for the NDZs and the EGZs are mutually reinforcing and, in combination, roll up to the overall Corridor area vision.

The characteristics of and vision for the NDZs is described in Section II, while the EGZs are addressed in detail in Section III.

²⁰ A more detailed discussion of which economic uses have been identified as potentially most suitable for various sub-areas of the corridor is provided in Section III.

II. Implications for Coordinated Neighborhood Planning and Investment

Highlights:

- “Community of choice” strategies – related to housing, retail and other amenities to attract and retain residents from particular segments of the region’s population – need to be coordinated across the Corridor area to reflect the true market areas for these activities.
- Five preliminary Neighborhood Development Zones (NDZs) were defined for targeting neighborhood development activities. The NDZ geographies transcend existing neighborhood and CDC service area boundaries, and each plays a distinct – but interconnected – role in the overall vision for the Corridor area.

To facilitate coordination of neighborhood development activities, the team identified a first, very preliminary set of five NDZs. Identification of these zones does not suggest that existing neighborhood boundaries or CDC service areas should be redefined to conform to the NDZ boundaries. Rather, they imply that stakeholders – including CDCs – should coordinate neighborhood development strategies across these existing boundaries, to better reflect the observed pattern and distribution of relevant activities.²¹

These zones aim to distinguish sub-areas of the Opportunity Corridor area that share common characteristics related primarily to the “community of choice” factors that affect what populations will choose to live in a given location. However, as noted, the economic uses identified for the Corridor area (see Section III) will also affect households’ choice of residential location and iterate with “choice” factors to shape a community’s identity.

In addition to the neighborhoods’ current DNT types as described in Section I, the proposed definitions of the NDZs are based on:²²

- Repeat sales index (RSI) trends in the Opportunity Corridor area;²³
- Analysis of median home sale prices for 2014-2015;
- Distribution and concentration of business-to-consumer (B2C) establishments;

²¹ Mechanisms to facilitate this coordination across the Corridor area are contemplated for a next phase of work (see Section VI, Next Steps).

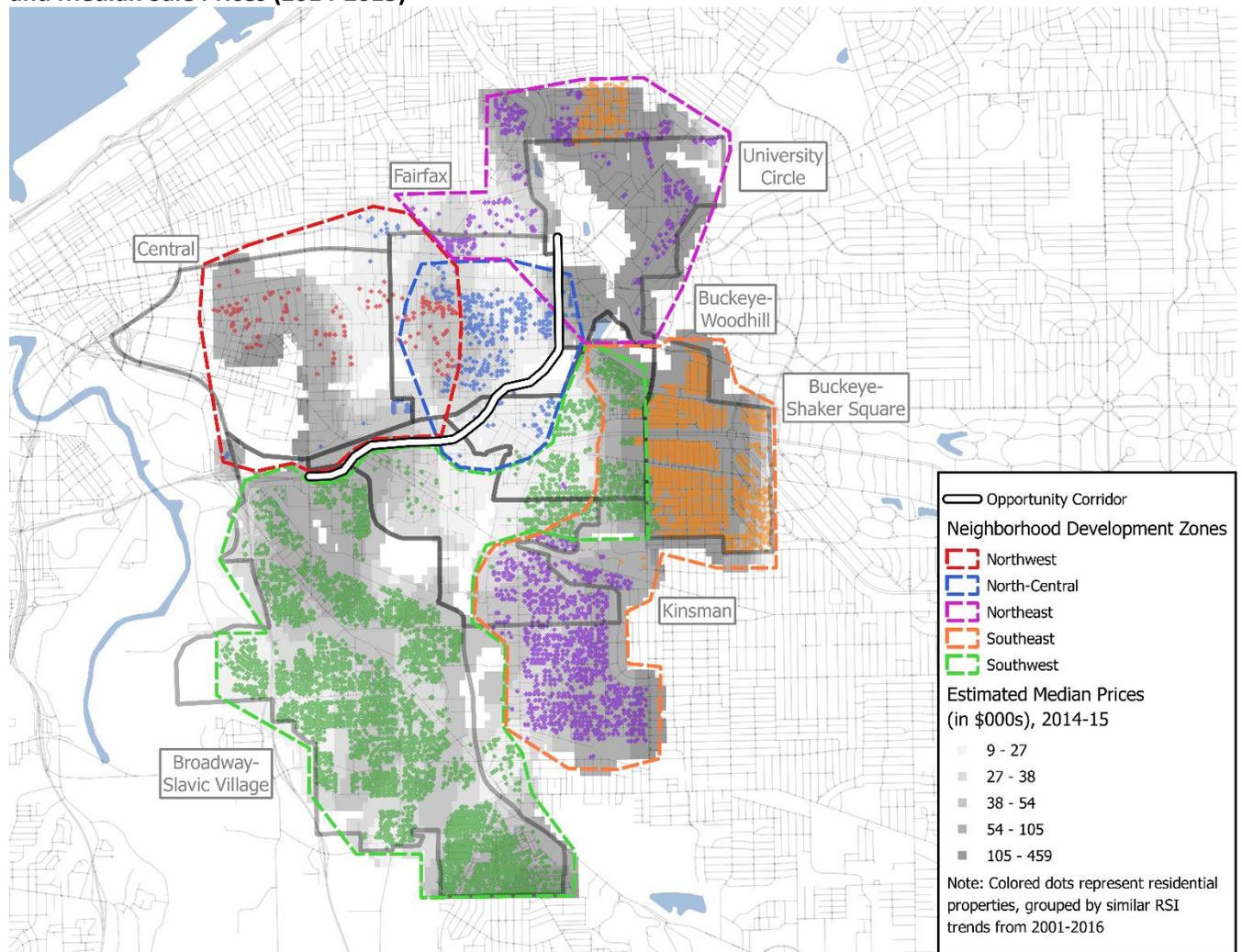
²² See Appendix Exhibits I-5 and I-6 for maps of two of the more relevant factors that were used to shape the geographies of the NDZs.

²³ The Dynamic Neighborhood Taxonomy Repeat Sales Index (DNT RSI) is a measure of the change in neighborhood performance and desirability over time, isolating the change in housing prices that can be attributed to how residents and owners value a neighborhood and its amenities (as distinct from the characteristics of the housing itself). The RSI value reflects the increase in neighborhood attractiveness (as measured by the trends in sale price for houses that have sold more than once during the time period) at the end of the time period, compared to the beginning of the period, where the beginning year is indexed to a value of 1. For the Opportunity Corridor area, residential property sales data from 1976-2016 and from 2001-2016 were analyzed to create point-level DNT RSI values and trends. This data was analyzed using the NeighborScope tool (a clustering algorithm) allowing for the creation of sub-geographies that exhibit common DNT RSI patterns. For further background on the creation and application of DNT RSI and NeighborScope, see Weissbourd, Bodini and He, *Dynamic Neighborhoods: New Tools for Community and Economic Development*, Living Cities, 2009, p. 17, 170-174 & 182-185.

- Existing or anticipated economic activity, including those preliminarily suggested in Section III; and
- Various other quantitative and qualitative information on housing market conditions, recent housing development projects and retail concentrations extracted from other data sources, existing plans and studies and conversations with CDCs and their stakeholders.

The rough boundaries of the five NDZs are displayed the map below, in combination with two of the factors (RSI and median sale price) that were used to estimate the boundaries.

Figure 2: Preliminary Neighborhood Development Zones, Repeat Sales Index Clustering (2001-2016), and Median Sale Prices (2014-2015)



There are some areas in which these preliminary NDZs overlap with one another, reflecting that they are in fact preliminary in nature and warrant further refinement in a next stage of work. Figures 3, 4 and 5, below, illustrate some of the dynamics and trends in each of the five NDZs.²⁴

²⁴ For the purpose of the analytics displayed in Figures 3 and 4, areas of overlap between pairs of NDZs were assigned to a single NDZ as follows: Northwest/North-Central overlap = Northwest NDZ; North-Central/Northeast

Figure 3: DNT Repeat Sales Index by Neighborhood Development Zone, 1977-2015

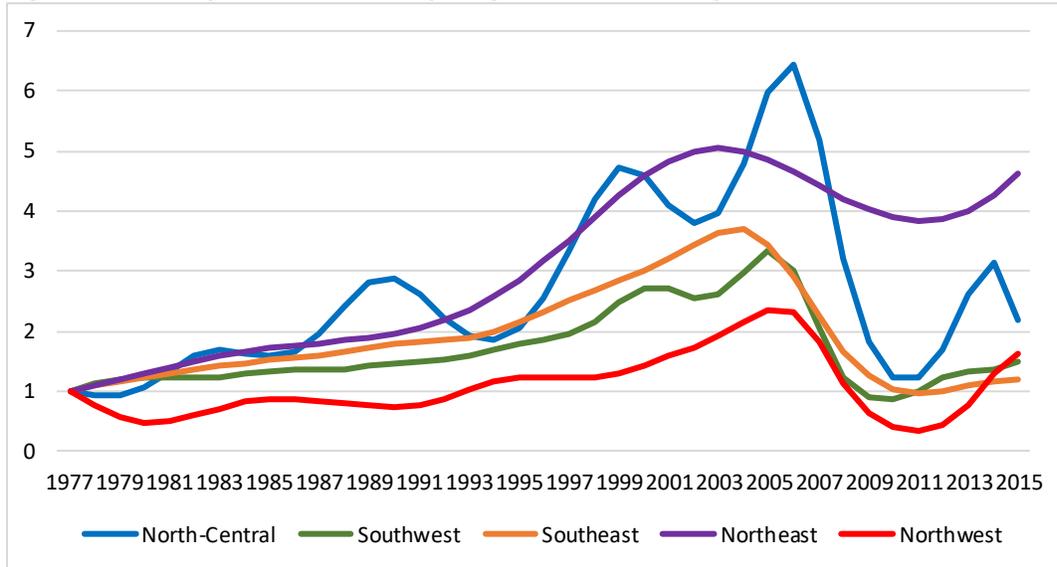
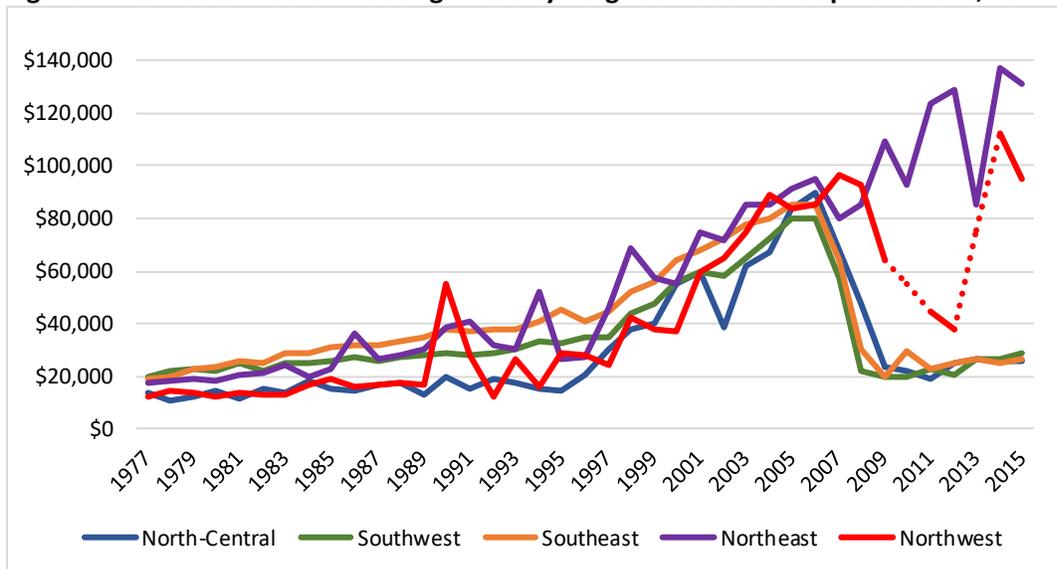


Figure 4: Estimated Median Housing Prices by Neighborhood Development Zone, 1977-2015

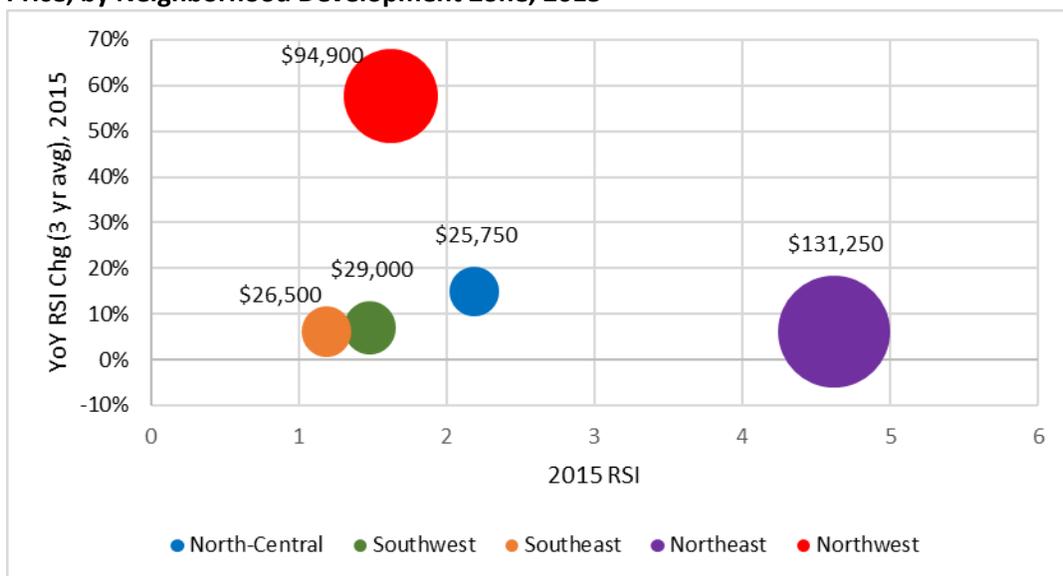


Notes:

- (1) This graph includes all housing sales during the indicated time period, including repeat sales and non-repeat sales (i.e., housing that only sold once during the time period, including new construction).
- (2) Breaks in the estimated median price trend for the Northwest NDZ indicate removal of outliers (approx. \$550,000 median price in 2010, and \$1 million+ median price in 2013).

overlap = North-Central; Southwest/Southeast overlap = Southeast NDZ. A graph of year-over-year change in the DNT RSI for each NDZ is available as Appendix Exhibit I-8.

Figure 5: Absolute RSI, Year-over-Year RSI Change (3-year average) and Estimated Median Housing Price, by Neighborhood Development Zone, 2015



Notes:

- (1) Sizes of the bubbles reflect each NDZ's 2015 estimated median housing price.
- (2) 2015 estimated median housing prices are based on the following numbers of sale transactions: Northwest = 22; North-Central = 19; Northeast = 46; Southeast = 129; Southwest = 189.

Source for Figures 3-5: RW Ventures analysis of NEO CANDO property data
<http://neocando.case.edu/cando/housingReport/interface.jsp>

Each NDZ is described in more detail below – its future vision (building upon the neighborhood-specific visions of key CDCs), as well as some of the most relevant past and current characteristics that inform that vision. It is important to keep in mind that while the future vision is described below for each individual NDZ, what occurs in these sub-geographies and the interactions among them will combine to create the overall Corridor area vision.

- **Northwest:** As a place to live, the Northwest NDZ has historically been home to a predominantly African American, relatively mobile population. Households have tended to be very low-income, and include a sizable share of single-parent households. Public housing, distributed across multiple CMHA developments, has been the primary form of housing in the area. It has also long been home (or adjacent) to a number of institutional uses that create a considerable daytime population – e.g., Cuyahoga Community College (Tri-C), Cleveland State University (CSU), St. Vincent Hospital, a range of non-profit and social service institutions, and a number of industrial businesses in the eastern portion of the NDZ.

The Northwest NDZ appears to be recovering relatively well from the housing crisis, and even experiencing an increase in attractiveness as a place to live, as reflected in trends in median sale price (\$94,900 in 2015) and year-over-year changes in RSI (three-year average of nearly 58%). The area is also becoming more mixed-income, resulting in part from housing construction activity, including redevelopment of mixed-income CMHA properties. Workers' interest in living near major local employers, including those downtown and along the growing Health Tech Corridor (HTC), may also be contributing to this growing desirability.

The future vision for the Northwest NDZ anticipates a more diverse resident population that includes increased numbers of students, as well as households headed by workers at nearby employers, including white-collar workers from the HTC, Midtown, and downtown; and blue-collar workers from along the Opportunity Corridor and the Industrial Valley. Housing to attract and retain these residents includes a mix of unit sizes and types, including moderately priced rental units²⁵ and for-sale units to appeal to the student and local employee populations.

Local amenities should aim to serve both the daytime population and area residents. This might include a mix of fast-casual restaurants, services like dry cleaners and copy/print shops, options for day-to-day shopping such as a modest-sized grocery, pharmacy/drug-store and a variety of sit-down restaurants attractive to students, professionals and families.

The eastern portion of the Northwest NDZ – where little housing resale activity is evident on Figure 2 – offers a particular opportunity for housing (and B2C) development, as a fair number of properties are vacant or land-banked.²⁶

- **North-Central:** The North-Central NDZ has historically been a relatively stable, low-income bedroom community with many long-term, predominantly African American residents. Households have tended to include a sizable share of families – single-parent, traditional and multi-generational – with children.

Median housing prices and the RSI have historically been relatively volatile in the North-Central NDZ. Housing prices are currently low (median of \$25,750 in 2015), and have not rebounded since the housing crisis. However, recent trends suggest that the North-Central NDZ may be experiencing a modest increase in its attractiveness as a place to live. Over the last three years, the average annual change in RSI has been nearly 15% -- though it showed a slight downward movement in 2015, following an upward trend from 2012-2014. Recent and pending investments by the Cleveland Clinic and by others along the HTC, as well as the area's proximity to institutions and amenities in University Circle are likely among the contribution factors. Existing cultural and recreational assets – Fairfax Recreation Center, Karamu House, and others – also factor into the NDZ's appeal as a place to live.

As part of the vision for the Opportunity Corridor area, the North-Central NDZ is anticipated to be home to a more diverse set of middle- and working-class households (both existing and new), including many families with children. Some of these new households may be headed by the primarily white-collar employees of existing and new establishments to the north and east, and blue-collar employees of the businesses anticipated to be developed along this portion of the Corridor roadway. There is also a possibility – and an aspiration among local stakeholders – to retain and attract more young adults, the local share of which has been declining in recent years.²⁷

Housing to attract and retain these types of households includes a mix of affordable and moderately priced single-family homes and townhomes, as well as multi-family housing incorporated into transit-oriented development (TOD) along East 79th Street. Similar to the Northwest NDZ, amenities

²⁵ While there is a significant presence of CMHA rental units in this NDZ, Burten Bell Carr staff cited a lack of quality, market-rate rental units a challenge in attracting and retaining residents.

²⁶ June 30 working session with staff at Burten Bell Carr Development suggested that this area could ultimately become “multiple new neighborhoods,” potentially building on existing senior housing and lease/purchase developments.

²⁷ July 27 working session with staff and stakeholders of Fairfax Renaissance Development Corporation.

in the North-Central NDZ should aim to serve both the envisioned daytime and resident populations, including families with children (e.g., childcare facilities, family entertainment, etc.).

- **Northeast:** The Northeast NDZ has long been a regional cultural, educational and bio/healthcare (“eds and meds”) destination. Though its uses have always included residential among them, the area’s historical identity has not primarily been as a residential neighborhood.

The Northeast NDZ’s identity as a place to live has evolved over time, and is currently characterized by a mix of students attending Case Western Reserve University (CWRU), faculty and staff at local institutions and other households attracted to the area’s rich amenities. It exhibits the highest housing prices in the Corridor area (median of \$131,250 in 2015), has exhibited the largest increase in the RSI of all five NDZs over the past 40 years (up more than 360%). RSI growth in the Northeast NDZ has been relatively stable over the long term, most recently posting a 2013-2015 average annual increase of 6%.

Looking forward, the vision for the Opportunity Corridor area anticipates a continued eclectic mix of households including undergraduate and graduate students, and faculty and staff at nearby anchor institutions.²⁸ Attractive housing for these residents likely includes a blend of affordable rental housing for undergraduates and graduate/medical students; amenity-rich rental housing for short-term executive/management/professional workers; and for-sale and rental housing opportunities for institutional faculty, staff and their families.²⁹

The Northeast NDZ’s status as both a regional destination and a residential neighborhood necessitates a mix of B2C amenities that address both populations. In particular, there is a strong desire for the area to function as a “complete neighborhood,”³⁰ that is integrated with surrounding communities, and in which residents can carry out their day-to-day activities within a short walk of their homes. For example, uses might include specialty retail and restaurants that appeal to both local residents and to visitors to the museums and other attractions; convenience retail for residents, including families; and locally owned establishments to foster a sense of community identity beyond the presence of the anchor institutions.

The vision for the two southernmost NDZs is somewhat less developed than for the three northern NDZs, and warrants further exploration in a subsequent phase of work. This stems largely from the size and diversity of the Southwest NDZ, and lesser engagement to-date with stakeholders in the Southeast NDZ – factors that are explained further in the narratives below.

- **Southwest:**³¹ The Southwest NDZ is largest of the five, and likely the most diverse. Historically, the area was home to working-class, blue-collar workers in the area’s manufacturing and other heavy industrial businesses. Chronic disinvestment has had particularly severe effects on the central portion of this NDZ – un- and under-employment, crime and physical blight.

²⁸ This will likely include a sizable international population, and a combination of long-term residents as well as those living in the area only temporarily for educational, medical training or short-term employment purposes.

²⁹ University Circle anchor institutions also encourage faculty and staff to live in adjacent neighborhoods via Greater Circle Living, administered by Fairfax Renaissance Development Corporation. To date, the program has provided financial support to employees for both rental and for-sale housing in neighborhoods including University Circle, Buckeye-Shaker Square, Fairfax, Hough, Glenville, Little Italy and East Cleveland. Source: Greater Circle Living Update, as of 8/8/16.

³⁰ July 27 working session with staff and stakeholders of University Circle Inc.

³¹ Further exploration of this NDZ may recommend dividing it into two or more distinct NDZs to more precisely target strategic interventions.

The Southwest NDZ is currently home to a racially diverse population, many of whom have been challenged by the decline in manufacturing, and more recently, by the foreclosure crisis. Data suggest that a meaningful number of homeowners may be facing financial difficulties.³² The area exhibits low housing prices (median of \$29,000 in 2015) and a fair share of vacant housing and land. The area's RSI has been on an upward trend since 2010 – +75% overall and +7% on average each of the past three years – suggesting an increase in desirability. Recent housing rehab and construction activity at relatively small scale and in strategic locations, have also shown promise.³³

The preliminary vision for the Opportunity Corridor area anticipates a future population that is primarily working- and middle-class, that remains very racially diverse, and that may trend toward more small (single- or two-person) households and perhaps fewer children than other NDZs. This suggests a housing mix that includes smaller units (both for-sale and for-rent), while the “DIY” ethos of the area may also suggest incorporating live-work spaces as an additional housing option. Existing commercial corridors in the Southwest NDZ can be strengthened, and secondary nodes established, both to meet residents' convenience shopping needs (e.g., grocery, salons, drugstores) and build on the unique character of existing locally owned restaurants and specialty retailers.

It is worth noting that much of the Southwest NDZ lies a greater distance from the Opportunity Corridor roadway than other NDZs and needs to overcome long-held negative perceptions of the area. It may require more time and intervention than other areas to realize the vision. Further, because residential neighborhoods in this area tend to be separated by industrial uses, rail infrastructure or vacant land, it will likely be challenging to build momentum across this large, fragmented geography.

- **Southeast:** Historically, the Southeast NDZ exhibited relatively high housing prices (akin to the Northeast NDZ) and a steady upward trend in desirability, as measured by the RSI, likely due in large part to the high level of commercial activity in and around Shaker Square. It fared worse than the Northeast NDZ, however, during the housing crisis, and today exhibits low housing prices (2015 median of \$26,500) and only a modestly increasing RSI (three-year annual average of 6%). Because this area is among the more distant from the Opportunity Corridor roadway and is home to virtually no industrial/commercial land for redevelopment, the overall vision for the Opportunity Corridor area does not anticipate substantial new economic activity to occur in this NDZ. As a result, and combined with the pending leadership transition at the primary CDC serving this area,³⁴ the Southeast NDZ has not been a primary focus of the EGS work to date. A more clearly articulated vision for this NDZ – including target population, housing types and B2C amenities – may be considered for further exploration in a next phase of work.

To achieve the neighborhood development vision outlined for the Corridor area – i.e., related to it as a “community of choice” – each NDZ will also need to be targeted with tailored strategies to address amenities other than B2C uses. These include, for example, schools, recreation and open space, access to healthcare services, programming for youth and many others. The CDCs working in the Opportunity Corridor area have long been actively engaged in strategic planning and implementation related to these subjects. Their ongoing work should inform and be informed by the overall vision for the Opportunity

³² See the map of HARP eligibility (Appendix Exhibit I-5).

³³ E.g., Trailside Slavic Village (10 units; new, for-sale) and Slavic Village Recovery (37 scattered units; rehabbed, for sale).

³⁴ See note 9.

Corridor area, and be coordinated across neighborhood and CDC service area boundaries where appropriate.

The vision for Cleveland’s core East Side neighborhoods is vibrant and eclectic. Throughout all of the NDZs, the vision anticipates increasing diversity, both racially and with respect to incomes, with the core population comprised of working- and middle-class households. The area’s western and eastern ends are envisioned as home to smaller – and perhaps more mobile – households, while the central portion is likely to be more family-oriented and home to more longer-term residents. This growth in households will attract increasing retail and other consumer-oriented activity, creating a reinforcing cycle of improved quality of life for existing and new residents alike. In combination, this rich mix of neighborhood types will create an interconnected set of new communities that transform this part of the city.

III. Preliminary Economic Use Scenarios

Highlights:

- Transformative economic uses for the Opportunity Corridor area alignment with and leverage (a) regional growth opportunities, (b) neighborhood assets and trajectories and (c) Corridor area and site characteristics.
- Eight priority clusters are targeted as most promising:
 - Healthcare/bio
 - Professional services
 - Local business-to-business (B2B) services
 - Miscellaneous manufacturing
 - Flexible electronics – devices
 - Advanced energy – storage and fuel cells
 - Advanced energy – waste-to-energy/value
 - Blue-green infrastructure
- For each targeted cluster, particular uses that appear to have the highest potential for thriving and catalyzing desired changes in the Corridor include, for example, greenhouses, soil preparation facilities or R&D/design facilities to support blue-green infrastructure; component manufacturing for fuel cells; IT functions to support healthcare/bio; etc.
- Five preliminary Economic Growth Zones (EGZs) facilitate tailoring and targeting combinations of economic uses that are best suited to particular sub-geographies and align with the overall Corridor area vision.
- Signature Projects in each of the EGZs – e.g., local B2B hub, Model Factory, Eco Park, Integrated Health Service Center, etc. – are large, market-leading investments that can catalyze change and build momentum.

Approach

Development of the Opportunity Corridor area presents a once-in-a-generation opportunity to reshape the economic geography of the City and region, calling for an ambitious EGS that is more than a series of one-off development projects. A piecemeal approach to build-out would run the risk of creating a three-mile roadway lined with disjointed, opportunistic real estate projects rather than leveraging the

roadway to create a new hub of next-economy economic activity in the central city. To realize the Corridor's full potential, the team's approach was informed by three unique types of opportunities presented by the investment in the Opportunity Corridor roadway.

- *Shape a new East Side – Catalyze revitalization of a set of long-disinvested neighborhoods, enhancing them as communities of opportunity and choice participating in and driving regional prosperity.* Communities of opportunity are well-connected to regional economic activities. Communities of choice offer an attractive set of housing, retail and other amenities to attract and retain particular types of residents in the region. These two are of course mutually reinforcing, and the Opportunity Corridor presents a moment at which the pace and scale of transformation along both dimensions can be accelerated.

Creation of quality jobs that are accessible to area residents and entrepreneurship and small business opportunities in priority and emerging clusters will enhance the area from an opportunity perspective. Business ownership opportunities in particular should be deliberately inclusive, engaging minority residents (and women) in the growth potential of cutting-edge, high-value-added clusters that position the region for leadership and growth and can offer significant wealth-building prospects over the long term.³⁵ This economic activity, combined with an appropriate mix of new and rehabbed housing and consumer amenities, will retain existing residents and positively change the perception of the OC area in the minds of non-residents, enhancing it as a community of choice.

- *Facilitate and catalyze economic activities that are naturally urbanizing.* A wide range of industries and occupations increasingly favor dense, urban environments for the access those locations afford to workers, suppliers, customers, transportation infrastructure and other assets. Among the industries that exhibit a tendency toward urbanization, the most widely cited include segments of the digital economy such as information technology, biotech and other STEM fields; and high-end professional services like finance, law, design/creative industries and various types of consulting.

Increasingly, some segments of the physical economy are also showing a tendency toward urbanization, tending to locate disproportionately in cities and core metropolitan counties for access to their resources, amenities and sizable markets. These types of uses include blue-collar business-to-business (B2B) services such as facilities management, equipment repair and courier services; light manufacturing including small-scale, artisanal producers of clothing and household goods, food and beverage production, etc.; and shared, multi-user facilities like co-working spaces for entrepreneurs, doer-maker spaces for aspiring artisans, etc.

- *Attract economic activities to the heart of the City that previously “didn’t pencil out” elsewhere in the region.* The Opportunity Corridor roadway opens up physical access to areas of the City that have historically been – at best – very challenging to reach. The investment in the roadway and the creation of new development sites on vacant and underutilized land are game-changing events for an area in which poor access has made productive development virtually infeasible. These new site opportunities provide a new location option for development projects that have not previously been able to identify a viable option elsewhere in the City or region – for example, those that could not bear the high costs of land in (or closer to) downtown, but which found insufficient access in the suburbs to workers, customers and suppliers. Significantly improved physical linkages among the neighborhoods, as well as to downtown and University Circle, create new value that can be tapped.

³⁵ This is in contrast to a historical trend toward directing minority- and women-owned entrepreneurs into slow-growth or declining industries (e.g., construction, warehousing, etc.).

The core purpose of this first, foundational phase of work on the Opportunity Corridor EGS is to identify a preliminary set of illustrative economic uses for the area's developable industrial and commercial land. Recalling the three things that the project team aims to triangulate in this phase of work (see the Introduction), desirable uses are ones that will align with and leverage:

- Regional growth opportunities
 - *Are forward-looking*, aligning economic activity in the Corridor with the trajectory of the broader regional, national and global economies
 - *Build off existing work* related to priority and emerging regional clusters, including the Regional Economic Competitiveness Strategy (RECS)
- Neighborhood assets and trajectories
 - *Drive inclusive economic growth* through employment, entrepreneurship and supply chain opportunities that are accessible to neighborhood residents and businesses
 - *Support the aspirations* articulated in existing neighborhood plans
- Corridor and site characteristics
 - *Acknowledge constraints* related to land, infrastructure and other elements of the physical environment
 - *Adhere to regulatory parameters* governing new development

Overall, economic uses in the Corridor area should be market-leading and catalytic, while also remaining economically and physical feasible. The mix of uses should support and complement one another to create locational synergies, and development strategies should not compete with those of other job centers, including downtown, University Circle, the Health Tech Corridor or inner-ring suburbs.

As a first step toward creating an integrated EGS across the entire Opportunity Corridor area, the team:

- Analyzed a range of potential clusters identified as regional priorities or emerging opportunities for northeast Ohio;
- Identified illustrative³⁶ cluster-based economic uses that appear well-suited to the OC area;
- Identified a set of preliminary Economic Growth Zones (EGZs) around which to begin tailoring and shaping the EGS; and
- Developed a very preliminary matching of economic uses to the EGZ for which they seem most suited.

Each of these is described in further detail throughout the rest of this section, as a foundation for further exploration in a next phase of work.

³⁶ The identified cluster uses do not represent an exhaustive list of what might be possible and well-suited to the Opportunity Corridor area. Rather, they reflect a first cut of promising types of uses, based on emerging and priority regional clusters, and exploration of how national models of place-based developments in those clusters might be applied in the context of the Corridor area.

Identifying Target Clusters and Economic Uses

As a first step in identifying high-potential economic uses for the Opportunity Corridor area, a number of regional cluster opportunities were assessed. The clusters selected for evaluation include those identified as priorities in Northeast Ohio's Regional Economic Competitiveness Strategy (RECS), supplemented by those the project team has previously identified through other work as particularly well suited to facilitating inclusive growth.³⁷

- Priority regional clusters^{38, 39}
 - Healthcare/bio
 - Professional services
 - Headquarters
 - Automotive
 - Chemicals
 - Metals
 - Miscellaneous manufacturing
- Emerging cluster opportunities⁴⁰
 - Flexible electronics – devices
 - Advanced energy – storage and fuel cells
 - Advanced energy – waste-to-energy/value
 - Blue-green infrastructure
- Inclusive, urban clusters⁴¹
 - Local business-to-business (B2B) services

Each cluster was evaluated along several dimensions to gauge its growth potential, degree of

³⁷ Note that the project team did not undertake a comprehensive analysis of the regional economy to determine whether additional clusters – those not prioritized by RECS – should be considered in the context of this project. In a future phase of work, such an analysis might be considered in order to update the RECS analysis and potentially reveal additional cluster opportunities that may have surfaced since its completion.

³⁸ Note that three of the “clusters” listed – headquarters, professional services and local B2B – are closely interrelated, and comprise a *functional* cluster in the northeast Ohio region. Professional services (e.g., law, marketing, technical and scientific consulting, etc.) and local B2B (e.g., facilities management, packing and shipping, data entry, accounting, etc.) serve as the backbone for supporting corporate headquarters and other anchor institutions such as universities and hospitals within the region. Professional services can also serve as a traded cluster, “exporting” their services to customers that are located outside the region.

³⁹ These are traded clusters (i.e., can reach customers beyond the local metropolitan area) identified through the Regional Economic Competitiveness Strategy (RECS) planning process spearheaded by Northeast Ohio's Regional Competitiveness Council (RCC). For more detail see <http://www.rccstrategy.org/>.

⁴⁰ Includes emerging clusters being targeted by Team NEO, per phone conversation with Tim Fahey, Rick Earles and Bill Hagstrand on 8/15/16.

⁴¹ These clusters tend to concentrate in urban environments and provide opportunities for inclusive growth – i.e., locate in neighborhoods, offer jobs accessible to workers with less than a four-year degree (some less than a high school diploma) with opportunities for advancement with increasing skills, pay moderate wages and provide opportunities for entrepreneurship.

urbanization (i.e., strength in Cuyahoga County compared to the rest of the region) and job quality.⁴² Based on this evaluation, a sub-set of the clusters were selected as the priority clusters for further exploration:

- Healthcare/bio
- Professional services
- Local business-to-business (B2B) services
- Miscellaneous manufacturing
- Flexible electronics – devices
- Advanced energy – storage and fuel cells
- Advanced energy – waste-to-energy/value
- Blue-green infrastructure⁴³

This set of priority clusters for the Corridor area should be considered a first cut, based almost exclusively on quantitative analysis of cluster performance. A next phase of work – including industry research, firm and other expert interviews, etc. – should be undertaken to vet these clusters, refine their definitions (i.e., determine what activities are really clustering in northeast Ohio) and explore the possibility of other candidate clusters. A few years have passed since the RECS process took place, suggesting a refresh of the data – including to potentially reveal recently emerging clusters – may be warranted.

A summary of all of the clusters that were considered – including illustrative industries/functions in each, and an overview of the results of the project team’s analysis – is provided in Appendix Exhibits II-1 (cluster performance and inclusion characteristics) and II-2 (cluster presence in and around the Corridor area).

Identifying these target clusters is only the first step. The objective is to identify potential demand for industrial land, which means there is a need to move from clusters to specific uses within them. Each of the selected clusters is comprised of many different types of uses – functions, activities, facilities and so on. For example, the Health/Bio cluster includes uses ranging from patient care to pharmaceutical R&D to medical device manufacturing and many others. The project team drew upon industry research, model projects across the US and interviews with local and national experts to identify a set of high-demand, emerging land uses for each cluster that might be suitable for the Opportunity Corridor area, based on what is known to date regarding the characteristics and trajectories of the surrounding neighborhoods and the attributes of the potentially developable land assets (described later in this section and in Appendix III).

⁴² Metrics include regional and Cuyahoga County concentration, projected national and regional employment growth, average wages and share of jobs accessible to workers with less than a four-year degree and less than a high-school diploma (or GED).

⁴³ Blue-green infrastructure is a cluster that is emerging on the national and global landscape as cities recognize the need to address environmental sustainability related to stormwater management, air and water quality, and soil contamination. The cluster is tradeable (i.e., goods and services can be exported to other regions), and so far, no region has taken the clear lead in technological expertise, systems engineering or materials design and production. Because development of the Opportunity Corridor area will require application of many aspects of the blue-green infrastructure cluster (see Section IV, Elements Needed to Support Successful Corridor Area Transformation, for discussion) it offers a test bed in which northeast Ohio can develop market-leading expertise in this growing field.

The team identified a wide array of possible uses, which are described in general terms in Appendix Exhibit II-3, and in more detail later in this section (“Preliminary Matching of Uses by EGZ”) with respect to their suitability for particular sub-areas of the Corridor area. These uses range from single-tenant manufacturing, medical, B2B and other facilities, to multi-user facilities of various types, to shared working spaces and ancillary retail to meet the demand of various types of workers and neighborhood residents. Several possible “Signature Projects” have also been identified that incorporate specific uses into major real estate developments with the potential to transform the Corridor area. A sampling of illustrative examples for particular economic uses are available for download [here](#).

Similar to the priority clusters, above, the potential economic uses described below and in collateral materials related to this report are preliminary in nature. They reflect a first-cut understanding of the types of transformative activities that are likely to be well-suited to the Corridor area’s assets (land, workers and existing businesses), and require further vetting and fleshing out to determine the extent to which specific development deals are market-feasible. They are also intended to offer a jumping-off point for provoking further ideas among knowledgeable key stakeholders.

Pursuit of particular uses will need to be strategic, prioritized and staged over time. The rest of this section describes a first attempt at identifying a set of differentiated target geographies in the Corridor area, and matching types of economic uses to those zones.

Preliminary Economic Growth Zones (EGZs)

As discussed in Section II, the most appropriate geography for tailoring and targeting strategies varies depending on the type of activity being pursued. In the case of the Opportunity Corridor area, this translates into different geographies for targeting neighborhood development activities (addressed in Section II) and for economic uses, which are addressed here. As a rough framework for strategizing about the appropriate geographies for tailoring and targeting economic uses, the team identified a set of preliminary “Economic Growth Zones” (EGZs). The EGZs are mutually exclusive (i.e., they do not overlap) and differentiate sub-areas of the Opportunity Corridor area that appear to have the potential to house different types of economic activities.

The five preliminary EGZs are shown in Figures 6 and 7, on the following pages.

Figure 6: Preliminary Economic Growth Zones

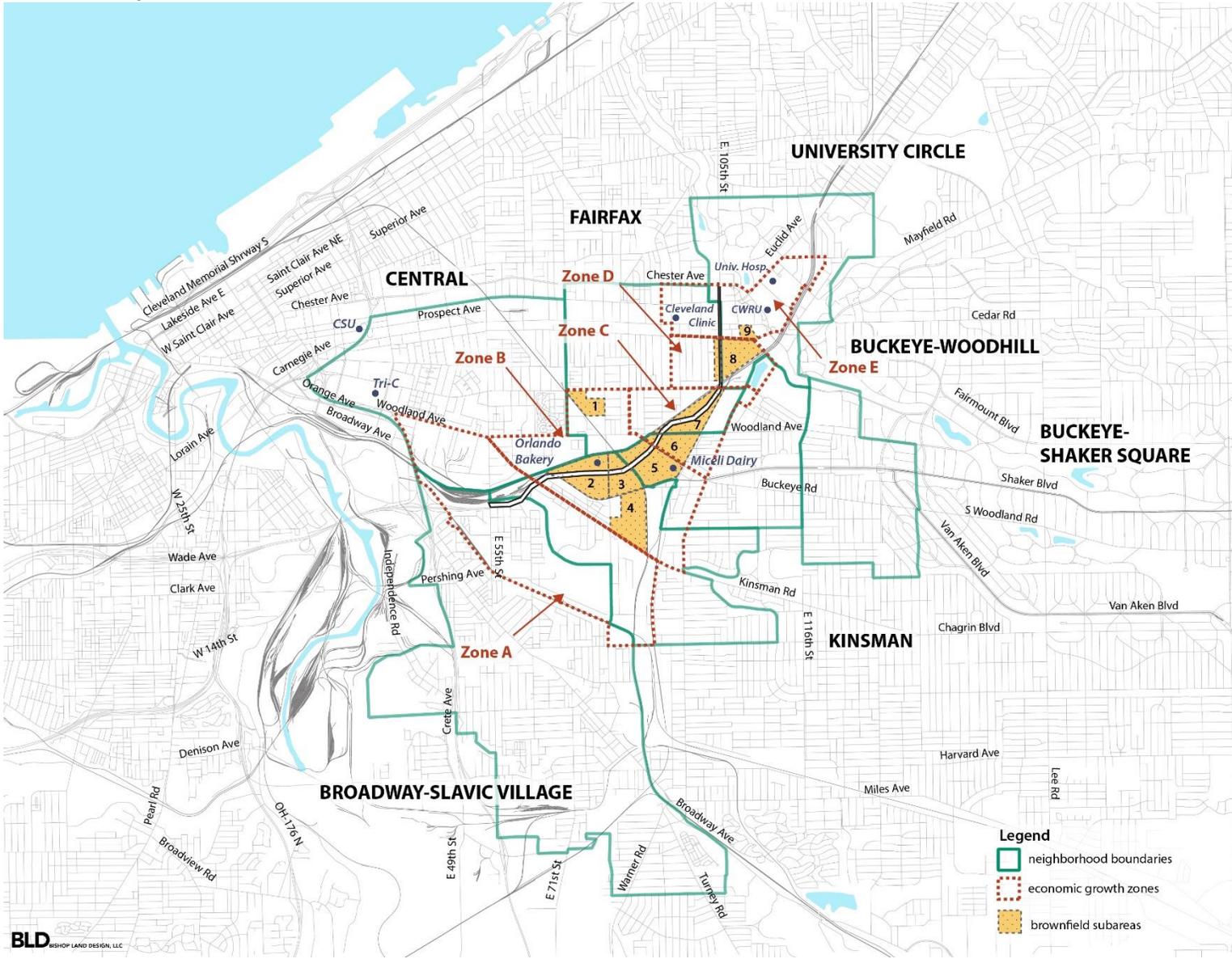
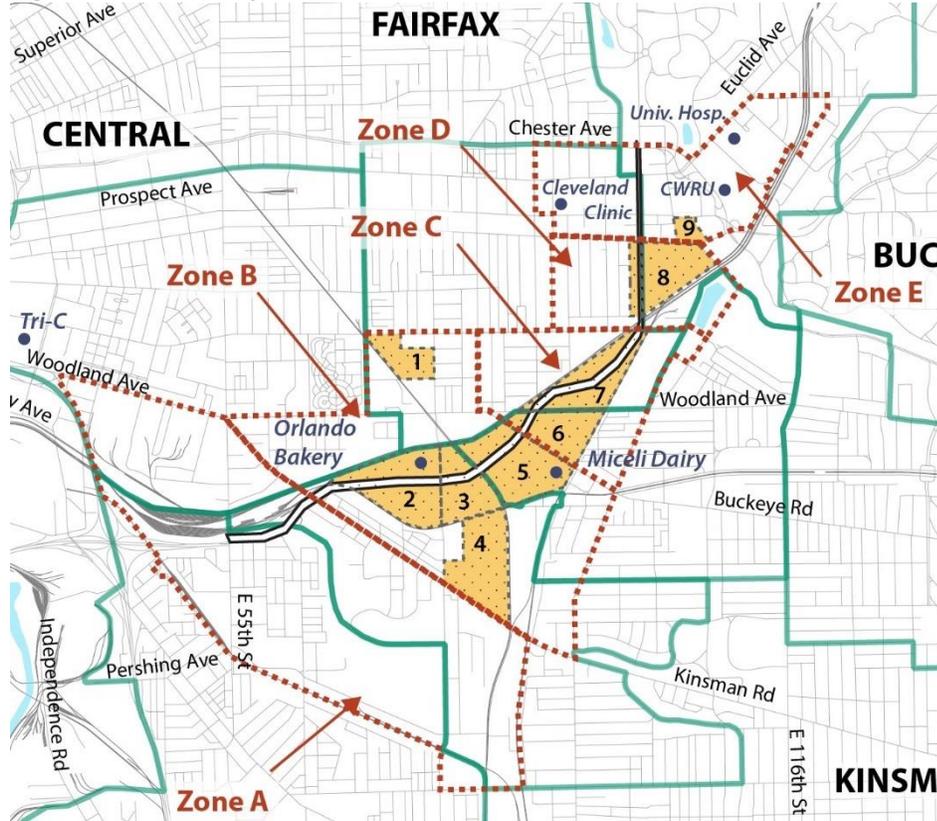


Figure 7: Preliminary Economic Growth Zones (detail)



The preliminary EGZs are based on a combination of factors, including:

- Alignment with existing community characteristics, CDCs’ strategic plans and aspirations;
- The findings and recommendations of the *Cleveland Opportunity Corridor Brownfields Area Wide Plan (“Brownfields Plan”)*; ⁴⁴
- The role that each sub-area is anticipated to play in the overall vision for the OC area vision (see Section I);
- The location of specific economic assets throughout the OC area, including, e.g., existing cluster firms and institutions, and projects and initiatives proposed, planned and underway by CDCs and other stakeholders, etc.;
- Characteristics of the land, including, e.g., existing uses, zoning, vacancies, contamination, transportation access, etc.; ⁴⁵ and

⁴⁴ US Environmental Protection Agency, City of Cleveland, City Architecture and Partners Environmental Consulting, Inc., *Cleveland Opportunity Corridor Brownfields Area Wide Plan*, March 2013 (<http://planning.city.cleveland.oh.us/assets/2013-03-25OpportunityCorridorBrownfields%20ReportDRAFT.pdf>).

⁴⁵ As currently proposed, the preliminary EGZ boundaries assume that in areas where the predominant land use and zoning are residential, that will remain the use going forward. It is possible that a future phase of work may suggest that some of these areas are suitable for rezoning, at which point the EGZ boundaries might be altered to encompass larger areas.

- Existing infrastructure, particularly those infrastructure assets that can be leveraged by certain economic uses, or that can serve as physical barriers to separate and define distinct portions of the OC area.

The preliminary EGZ boundaries reflect the team’s current understanding of the potentially developable industrial and commercial land adjacent to and near the path of the Opportunity Corridor roadway. They are centered around the site areas identified in the *Brownfields Plan*, but extend to encompass broader “catchment areas.” This reflects the likelihood that additional developable properties exist beyond those site areas that could be strategically acquired over time to realize the vision of the EGS. It is important to note that the boundaries of the preliminary EGZs are not intended to be definitive or rigid, but rather to provide a logical framework in which to consider the distribution of economic activity in the context of an integrated, Corridor-wide vision.

A brief description of each EGZ is provided below. As mentioned with respect to the NDZs in the prior section, while the future vision is described below for each individual EGZ, what occurs in these sub-geographies and the interactions among them will combine to create the overall Corridor area vision.

- **Economic Growth Zone A:** Existing businesses in EGZ A are primarily a mix of heavy and light industrial uses, which have long leveraged the area’s rail assets, including food, metals and other types of manufacturing and materials handling. The area is home to nearly 68 acres of land suitable for industrial and commercial redevelopment, as characterized by vacant and land-banked parcels with appropriate zoning – the second-highest of all of the EGZs. This includes 63 acres of industrially zoned land, most of which is vacant; and nearly five acres of commercially zoned land, most of which is land-banked. Two industrial parcels are relatively large (5+ acres), while only one commercial parcel exceeds an acre in size. While stakeholders have expressed a preference for no additional heavy industrial uses, characteristics of EGZ A make it well suited to future development of additional light manufacturing and other physical economy/blue-collar uses.
- **Economic Growth Zone B:** EGZ B is currently home to enterprises that include two significant food manufacturing facilities (Orlando Baking Company and Miceli Dairy Products), the Urban Agriculture Innovation Zone and the Rid-All Green Partnership. This EGZ is home to the most potentially developable land in the Opportunity Corridor area: 157 acres of vacant and land-banked land, 124 acres of which is industrially zoned and 34 acres of which is commercially zoned. Three of the industrially zoned parcels are over five acres, and an additional 23 are 1-5 acres in size, while commercially zoned parcels are smaller (only one over an acre). EGZ B is also heavily served by freight rail. The area is well-suited to one or more larger-scale industrial uses, particularly those that would build off of its current mix of agriculture and food processing uses, and the environmental sustainability focus of the Woodland/Central green infrastructure project in development by the Northeast Ohio Regional Sewer District (NEORS).⁴⁶
- **Economic Growth Zone C:** Existing economic activities in EGZ C are mostly located on Woodhill Avenue or along the rail line, including multiple auto sales, salvage and repair businesses; a few industrial and construction-related uses (e.g., metal machining, masonry supplies); the Cuyahoga County Juvenile Court; and RTA’s Woodhill Facility. The area includes just over 28 acres of industrially (21.6 acres) and commercially zoned (6.7 acres) land with potential for redevelopment.

⁴⁶ For a description of the project, see, e.g., <http://neorsd.blogspot.com/2015/05/news-central-neighborhood-brownfields.html>.

Most of these parcels are relatively small. One vacant, industrial-zoned property exceeds five acres in size, and two vacant, commercial-zoned parcels are between 1-5 acres in size; all others are less than one acre each. EGZ C reflects, to some extent, a middle ground for the Corridor area with respect to its economic use potential. While its current uses are primarily industrial/blue-collar, compared to EGZs A and B, it has relatively little available acreage. It also abuts EGZ D, which exhibits potential for much denser, white-collar development (see below). EGZ C is likely most suitable for a mix of blue-collar and white-collar “back office” uses. If sufficient acreage can be assembled, moderately sized light industrial uses might also be appropriate, particularly adjacent to the rail line.

- **Economic Growth Zone D:** The bulk of EGZ D is envisioned in Fairfax Renaissance Development Corporation’s (FRDC) Strategic Investment Plan as mixed-use on both the east and west sides of East 105th: Innovation Square and New Economy Neighborhood. The area is anticipated to draw development activity south of – and build upon – the Cleveland Clinic and Health Tech Corridor. Existing business establishments in EGZ D include Reese Pharmaceutical, BioEnterprise and the Cuyahoga County Medical Examiner’s Office. The area does not have much vacant or land-banked land: 6.6 acres zoned industrial and four acres zoned commercial. Only one of these parcels (vacant, zoned industrial) is more than one acre in size. The characteristics of EGZ D position it well for bio/health and professional services uses that relate to the Cleveland Clinic and University Circle anchors. These uses should also be ones that are suited to small sites with multi-story buildings, given the area’s space constraints (e.g., office, lab and other high-density facility types).
- **Economic Growth Zone E:** Business establishments in EGZ E are primarily large, regional anchor institutions: Case Western Reserve University, University Hospitals, Cleveland Clinic, Stokes VA Medical Center, and multiple arts and cultural institutions. It is the most land-constrained EGZ in the Corridor area, home to less than seven acres of vacant land that is zoned industrial (1.6 acres) or commercial (5.2 acres). All but one site in each zoning category is less than an acre in size. EGZ E is well situated for economic uses that mesh closely with its anchor institutions and that thrive in high-density environment – e.g., R&D, engineering, and incubator/accelerator spaces to commercialize technologies initially developed at the anchors.

A brief summary of parcel characteristics by EGZ is available in Appendix Exhibit III-1. A high-level assessment of land and infrastructure assets across the entire Opportunity Corridor area informed definition of the preliminary EGZ boundaries. Summary text, tables and maps of key dimensions are available as Appendix Exhibits III-2 through III-8.

In addition to a high-level assessment of land assets across the entire Opportunity Corridor area, the team examined a select number of sub-areas in greater detail. Three sub-areas were identified in conjunction with local CDC partners and dubbed “Early Action Zones” (EAZs). These EAZs were selected because they are among the CDCs’ priority areas for redevelopment, and their assets and challenges are illustrative of conditions that are likely to be present in other areas of the Corridor area as more specific planning and development activities take place going forward. To understand the EAZs, the team reviewed existing studies and publicly available data; engaged in on-the-ground reconnaissance; interviewed knowledgeable local stakeholders; and reviewed recent Phase 1 and Phase 2 testing results provided by the Opportunity Corridor Partnership Office, where available. Observed assets and challenges, and maps of the most salient elements, are available in Appendix Exhibits III-9 and III-10.

Preliminary Matching of Uses by EGZ

Some cluster uses identified earlier in this section are more appropriate matches for some EGZs than others. Ensuring that economic uses targeted for the Opportunity Corridor area are sited in the most appropriate locations will contribute to the likelihood of their individual success, as well as create a robust first wave of development activity on which to build for the long term. A number of guiding principles were identified and applied to begin preliminarily matching economic uses to each of the preliminary EGZs, including:

- **Align uses in each EGZ with the existing economic assets and anticipated trajectories of the neighborhoods in which they are located.** For example:
 - *EGZ A* possesses a strong manufacturing history as well as existing manufacturing assets and a “DIY” ethos among its residents. This suggests a logical fit for economic uses such as next-generation, light manufacturing and doer-maker spaces, which serve as a continued evolution of the former and existing uses.
 - *EGZ B* is home to several food manufacturers, including Miceli’s and Orlando, which suggests a strong foundation on which to build additional food- and beverage-related uses. It also houses the Urban Agriculture Innovation Zone and green infrastructure projects to manage stormwater, making it attractive for blue-collar uses within the blue-green infrastructure cluster (e.g., greenhouses, soil preparation, etc.).
 - *EGZs D-E* are home to major regional university and medical anchors, which offer continued support for high-tech healthcare/bio uses – e.g., small firms, innovation and R&D facilities, incubators and accelerators, etc. – that benefit from close proximity to and spillovers from anchor institution resources.

Uses in each EGZ should also take into consideration the preferences of current and future stakeholders, including residents, business owners and others. As an example, while heavy industrial uses may be permitted in EGZ A by current zoning, residents and other stakeholders have expressed an aversion for developing such uses in that area.

- **Target uses for which each EGZ’s physical attributes are well-suited and will be understood as competitive advantages.** A large number of criteria factor into businesses’ site selection decisions, and these criteria vary widely by the type of use being considered. These decision-making criteria may include the regulatory environment (e.g., zoning and building codes); physical characteristics of the specific site (e.g., size, topography, contamination status, visibility, adjacent uses); access to key infrastructure and at what price (e.g., utilities, sewer, data lines, rail, port, transit); and supplemental or supportive resources and conditions (e.g., access to labor, relevant workforce training programs, proximity of supply chain and other related firms). In addition, some economic activities have more of a tendency than others to rely on the use of state and local financial incentives in making their location decisions.
- **Rationalize land use decisions across the Corridor, informed by land availability, land costs and compatibility with adjacent uses.** The land characteristics and real estate economics spanning the Opportunity Corridor area are quite diverse, and therefore tend to lend themselves to different types of uses. Land availability is lowest and costs are highest on the east end of the Corridor (EGZs D and E in particular), necessitating uses with high levels of job density such as labs, offices, etc. that

can occupy small land footprints in multi-story structures.⁴⁷ Land availability is higher and costs are lower in the central and western EGZs (A, B, C), providing opportunities for more space-intensive, often single-story (or few-story) uses such as flex/light industrial space for urban-friendly manufacturing and blue-collar B2B uses, or white-collar B2B uses that cannot support the costlier real estate economics of EGZs D-E.

Infrastructure and topographical features in the EGZs also influence each one's suitability for particular economic uses, and for siting of uses within a given EGZ. For example, rail lines in EGZ A make it more suitable for light industrial uses – for which freight infrastructure is an attractive location feature – than some other EGZs. At the same time, the rail lines and embankments can serve to buffer light industrial uses from nearby commercial and residential areas. Features like these should be incorporated into the rationale for matching economic uses to particular EGZs.

- **Seek economic opportunities uniquely suited to Corridor area conditions.** As the construction of the roadway proceeds over the next several years, related business and cluster development opportunities may arise. For example, construction of the roadway offers a test bed for blue-green infrastructure technologies and systems: innovative ways to manage stormwater, remediate a range of contaminated sites, etc. The large volume of work to be done can be leveraged to build the capacity of the blue-green infrastructure cluster, both regionally and within the Corridor area. White-collar uses (e.g., design/engineering) could be established relatively early in the eastern portions of the Corridor area,⁴⁸ while the technologies, systems and strategies they develop could be deployed in the more challenging central and western areas. More blue-collar uses (e.g., greenhouses, soil prep, etc.) can be targeted for development there as well (including as interim uses). To the extent possible, opportunities like this one – or at least sizable shares of them – should be targeted for location in the Corridor area.
- **Approach Business-to-Consumer (B2C) as an ancillary – not primary – use.** The EGS for the Opportunity Corridor is not primarily a B2C strategy. Rather, it is primarily focused on the development potential of industrial and commercial land, for the purpose of creating a diverse array of high-quality jobs in promising industry clusters, and doing so in a way that benefits the region as well as the Opportunity Corridor neighborhoods. B2C is therefore viewed as a secondary component of any potential development in the OC area. Further, B2C uses generally follow – rather than lead – other types of development activity. Creating a sizable daytime population and building residents' income and wealth – both through high-impact, job-creating economic uses – will generate demand for additional amenities, which the market will recognize and supply.

Applying these guiding principles to the preliminary uses and proposed Zones, the team arrived at the first-cut, high-level summary of EGZ-specific economic uses described below. Of the many potential economic uses identified for the Opportunity Corridor area in the prior section, five appear to offer the most potential to be “Signature Projects” under the Economic Growth Strategy: catalytic, forward-looking developments with the capacity to generate momentum and ultimately transform the Opportunity Corridor area. Each of the five potential Signature Projects has been preliminarily matched to suitable EGZs.⁴⁹

⁴⁷ Many of these uses are also suited for, and being pursued by developers of, the Health Tech Corridor.

⁴⁸ Nearby technological expertise at Case Western Reserve University may offer an asset from which to build these capacities.

⁴⁹ Where more than one Signature Project is described for a given EGZ, they are intended to reflect multiple scenario options (not necessarily that both Signature Projects should be co-located in the same EGZ). Note also

The preliminary matching of economic uses to sub-areas of the Corridor area primarily focuses on the three western and central EGZs (A, B and C), which appear to represent the most significant opportunity for transformative development projects. They exhibit a larger amount of vacant, land-banked and underutilized land, compared to the two eastern EGZs (D and E), and therefore offer greater potential to “think outside the box” and assemble larger sites for Signature Projects. They are also more likely to be subject to speculative and opportunistic development if a specific strategy for their development is not clearly articulated. EGZs D and E are discussed in less detail because they are more land-constrained (particularly EGZ E), and market-based development is already taking place or has begun to emerge (e.g., Explorlys in EGZ D).

Economic Growth Zone A: Building from the mix of existing manufacturing base in EGZ A, suggested uses are primarily in light/urban manufacturing, including medical instruments or devices and components for emerging regional clusters (e.g., flexible electronics, fuel cells, engineered materials for blue-green infrastructure projects). Stakeholders might consider creating a modest manufacturing hub/park related to one or a combination of these uses, to facilitate cost- and resource sharing among small manufacturers. Other suitable uses that would be compatible with and expand upon the existing light industrial activities include blue-collar B2B uses; and shared facilities that capitalize on the surrounding neighborhoods’ self-sufficient, “DIY” personality – e.g., a doer/maker space or accelerator/incubator for up-and-coming firms in the physical economy.

- Signature Project #1: Manufacturing Park/Hub: Single or multi-building facility – can be scaled depending on demand and available land – comprised of small and medium-sized manufacturing firms in related industries (e.g., food, electronics, advanced energy etc.), co-locating to capitalize on economies of scale with regard to shared equipment, storage, workforce training, pre-competitive R&D and other resources. The constellation of firm types varies by cluster, and might include a large anchor firm if the park/hub is positioned as more of a “supplier park” for the anchor. Shared resources also vary by cluster – for example, a food park/hub might include shared test kitchens, co-manufacturing and co-packaging facilities, and so on.
- Signature Project #2: Model Factory: MAGNET (northeast Ohio’s manufacturing extension partnership) proposes creation of a facility to drive efficiency and process innovation among the region’s small and medium-sized manufacturers.⁵⁰ Firms would engage in hands-on learning and simulations with cutting-edge equipment and protocols, and expert staff and trainers. Specifically, the model factory would include:
 - Functioning production equipment and associated office environments to enable simulations of factory problems with varying levels of complexity;
 - Simulations that incorporate all essential business functions, including procurement, sales, quality, scheduling, production, shipping, etc.;
 - Training for simultaneous development of technical skills and practices, in conjunction with soft skills such as teamwork and problem-solving;

that more than one EGZ may be a suitable location for a particular Signature Project (e.g., the B2B hub is referenced for both EGZ A and EGZ B). Further exploration will be required in a subsequent phase of work to determine the most suitable locations for Signature Projects.

⁵⁰ Excerpted heavily from internal document, “Ohio’s Model Factory of Tomorrow: Bringing operations innovations and the digital manufacturing economy to Ohio; Bringing opportunity to manufacturers to become more competitive; Bringing good jobs with good salaries permanently to our economy.”

- True production of a common business-to-business product (specifics TBD) comprised of both electrical and mechanical components representative of those produced in local skilled trades/industries (e.g., automotive, aerospace);
- Meeting and demonstration space for manufacturers and vendors of production equipment to showcase new technologies; and
- Possibly the capability to produce small runs of product for local company sponsors, small firms and independent product designers and/or a networking mechanism to enable connections between independent designers and contract manufacturers able to do small-scale production runs.

Economic Growth Zone B: As the EGZ with the largest amount of developable land, EGZ B may be suitable for many potential economic uses. Given the potential size of development sites (particularly if multiple parcels are assembled), most of the preliminary uses identified are multi-tenant hubs or campuses. These include a food and beverage manufacturing hub to build off of nearby food- and agriculture-related assets; a Model Factory (see description under EGZ A); a blue- and white-collar B2B hub to support downtown and University Circle headquarters and anchor institutions; and an “Eco Park” to co-locate a critical mass of waste-to-energy/value and possibly blue-green infrastructure firms (primarily blue-collar uses such as green houses, soil prep, etc., again, building off of existing agricultural activities). Ancillary retail uses should be contemplated to support the surrounding neighborhoods as well as new worker population at any new uses, with particular opportunity for TOD along the East 79th Street corridor.^{51,52}

- **Signature Project #3: B2B Hub:** Single or multi-building facility – can be scaled depending on demand and available land – comprised of a combination of white- and blue-collar B2B firms. Examples of tenant business types include:
- Facilities support services (e.g., grounds maintenance, security, etc.)
 - Payroll and billing services
 - Packaging, mailing and labeling services
 - Local wholesaling, distribution and delivery (e.g., of goods demanded by downtown, HTC and Opportunity Corridor area businesses)
 - Call center
 - Document and record keeping services
 - Industrial, commercial and electronic (ICE) equipment repair, maintenance and rental

EGZ B’s easy access to downtown, University Circle and the Health Tech Corridor via the Opportunity Corridor roadway position the hub’s tenant firms well to serve major headquarters and office buildings, “eds and meds” anchor institutions and other nearby health/bio-related businesses. Highway proximity (I-490 and I-77) and rail siding access provide further access to establishments throughout the city and region.

⁵¹ The potential for TOD adjacent to the Buckeye Avenue-Woodhill Road Blue/Green line station (lies at the boundary of EGZs B and C) warrants further exploration.

⁵² Cuyahoga Community College (Tri-C) is contemplating consolidation and expansion of its Transportation, Distribution and Logistics (TD&L) training facilities. This new campus may also be a suitable use in either EGZ A or EGZ B – depending on its characteristics, land requirements and so on – and should be further explored in a next phase of work.

Development of a B2B Hub would ideally be accompanied by programming to support and grow minority- and women-owned enterprises (MWBES) that could be among its tenants. Programming might include, for example, resources and technical assistance to address some of the most common issues that small B2B firms face including obtaining sufficient working capital, securing large (often anchor institution) contracts, etc.

- **Signature Project #4: “Eco Park:”** Campus for co-location of firms engaged in applying leading-edge technologies in the Waste-to-Energy/Value cluster, to take advantage of synergies among them. Given appropriate highway access for incoming materials – which I-77, I-490 and the Opportunity Corridor roadway could likely provide – potential tenants of the campus might include an anaerobic digester/biomass facility to generate energy from various feedstocks (e.g., for vegetable oil, food waste, wood products, etc.);⁵³ upcycling of a wide range of materials such as wood (e.g., existing regional technology to convert into a carbon material that acts as a polymer filler), automobile tires (e.g., as asphalt additive); etc.⁵⁴

Economic Growth Zone C: Centrally located among the five zones, EGZ C appears to be suitable for a range of potential uses. These include an Integrated Health Service Center (IHSC) to support nearby hospitals and other healthcare facilities;⁵⁵ a Model Factory to serve regional manufacturers (see description under EGZ A); or an “Eco Park” housing waste-to-energy/value (and possibly blue-green infrastructure) activities (see description under EGZ B). Some level of blue- and white-collar B2B uses may also be good fits for this EGZ, as might B2C uses as part of a TOD development near the Quincy/East 105th RTA station.⁵⁶

- **Signature Project #5: Integrated Health Service Center (IHSC):** Dedicated, off-site facility providing multiple hospitals or other medical facilities with centralized “back-office” and other support services. An IHSC may house a combination of white- and blue-collar activities, tailored to the needs of the participating healthcare institutions. Examples include:
 - Data entry and record keeping
 - Pharmacy services
 - Lab/testing services
 - Laundry facilities
 - Aggregated purchase and storage of medical supplies
 - Machinery testing and repair
 - Instrument sterilization
 - Surgical/procedure pack preparation

⁵³ Synergies may be created between the Eco Park and other uses for which it can process waste products – e.g., food manufacturing, trees and plants used for blue-green infrastructure purposes (including phytoremediation), etc.

⁵⁴ Blue-green infrastructure activities (e.g., soil preparation) should also be investigated as potential components. Required site size and compatibility with surrounding uses, in particular, warrant more in-depth exploration in a next phase of work.

⁵⁵ Including main campus and satellite facilities for University Hospitals, Cleveland Clinic, Stokes VA Hospital, St. Vincent, Metro Health and others.

⁵⁶ The potential for TOD adjacent to the Buckeye Avenue-Woodhill Road Blue/Green line station (lies at the boundary of EGZs B and C) warrants further exploration.

IHSC facilities generate increased efficiency for participating healthcare institutions by taking advantage of economies of scale for purchasing, transport and other activities; and by relocating non-core activities off-site, freeing up space at hospitals and medical centers for those institutions' core operations of patient care, R&D, etc.

Economic Growth Zone D: Located adjacent to the Cleveland Clinic, University Hospitals and Case Western Reserve University, EGZ D is well suited to a mix of white- and pink-collar economic uses that leverage these anchor institutions. The office space contemplated for FRDC's New Economy Neighborhood and Innovation Square developments might be best suited for healthcare/bio R&D or incubators/accelerators; scientific and consulting services; and specialized professional services (e.g., health IT or lawyers, accounting firms, financiers, etc. with expertise in biotechnology); blue-green infrastructure uses including R&D, systems design, engineering, testing/monitoring labs; R&D and design for flexible electronics and advanced energy applications; and possibly a small amount of white-collar B2B uses. Ancillary retail to support new households, as well as the increased workforce, should also be considered.

Economic Growth Zone E: This Zone is the most space-constrained of the five EGZs, as it is home to a large number of regional anchor institutions that continue to expand. To the extent that non-core activities such as those envisioned for the IHSC or a B2B hub are relocated over time toward the central and western Zones (A, B, C), currently occupied space will be freed up for additional R&D, design, accelerator/incubator and other knowledge-intensive uses that benefit from being co-located with the medical and university campuses. Development activity in this EGZ is unlikely to need intervention or catalytic investments to take place; market forces will likely recognize and leverage opportunities as sites and facilities become available for redevelopment.

These preliminary uses proposed for each of the EGZs are consistent with and build upon the recommendations of the market analysis conducted as part of the *Brownfields Plan*.⁵⁷ At a high level, recommendations included research and development and other office uses toward the eastern end of the Corridor area, and more blue-collar uses (e.g., distribution, warehousing and light manufacturing) for the area's central and western portions. The proposed economic uses described in the remainder of this section build out and further specify those recommendations in several ways:

- *Integrated vision* – This report also adds to the *Brownfields Plan's* recommendations by placing them in the context of the surrounding neighborhoods, and considering their mutually reinforcing roles as communities of choice (i.e., residential neighborhoods) and opportunity (economic hubs). The high-level vision proposed for the Corridor area offers guidance for development decisions and activities, and further develop a roadmap for integrating strategies related to economic uses with those for neighborhood vitality and quality of life.
- *Economic context* – This report expands the focus from what real estate projects might be feasible today on particular parcels or sites, to what the most desirable uses might be for the Corridor area overall, in the context of current and emerging regional opportunities. Its aim is to be forward-looking and marketing-leading, and to view the Corridor area as an integral part of the region's economic geography.
- *Specificity of uses* – Based on analysis of regional cluster opportunities and emerging, cluster-based uses, this report proposes more detailed economic uses than were recommended in the *Brownfields*

⁵⁷ Allegro Realty Advisors, a member of the project team that produced this report, was also an integral part of the team that developed the *Brownfields Plan* recommendations.

Plan. For example, the *Brownfields Plan* recommended “light industrial” uses in some locations, while this report proposes uses such as food manufacturing, component manufacturing for advanced energy and medical sectors and others. Rather than recommending “office” use, this report specifies uses such as white-collar business-to-business services, advanced business services catering to hospitals and universities, and so on.

Successful transformation of the Opportunity Corridor area requires a coherent vision for the desired mix of land uses corridor-wide. As construction of the roadway proceeds, interest from investors and developers will generate pressure for CDCs and other local and regional stakeholders to engage in opportunistic, one-off development projects. Creating a context in which potential deals can be evaluated, and a blueprint for proactively pursuing projects that will benefit the surrounding neighborhoods and broader region, will help manage these pressures and ensure a prosperous future for the Opportunity Corridor area. Signature Projects have the potential to generate a first wave of momentum toward a long-term, transformative vision for the Opportunity Corridor.

In combination, the preliminary economic uses proposed for the EGZs and the neighborhood development strategies described for the NDZs (Section II) are mutually reinforcing and will move the Corridor area communities toward the vision described in Section I. New economic activities will grow existing residents’ income and wealth, while iterative housing and B2C investments will attract new residents seeking a vibrant, urban environment. The west-to-east mix of economic uses and neighborhood characteristics in will create a new East Side comprised of interconnected communities that share a common set of characteristics as outlined in the vision, but maintain distinctive identities.

See Appendix II Exhibit for a full list of potential economic uses preliminarily identified as likely matches for each EGZ (Exhibit II-4), and a matrix of primary, high-level location decision criteria for each identified type of economic use (Exhibit II-5). As mentioned earlier in this section, a sampling of illustrative examples from around the country for particular economic uses are available for download [here](#).

IV. Elements Needed to Support Successful Corridor Area Transformation

Highlights:

- Collaboration among and alignment across a diverse set of actors – public, private and civic; local, regional, state and national – will be critical to achieving the Corridor area vision. A broad, cross-sector stakeholder coalition is necessary to build a shared vision and the institutional capacity for implementation.
- The economic activities, which are the main focus of this phase of work, will only succeed and be transformative – create a new, interconnected East Side – if other strategies and activities are implemented in tandem. These include elements related to:
 - Physical development – stormwater management, site remediation, interim uses and complementary infrastructure investments;
 - Business and workforce development – training, finance and technical assistance; and
 - Neighborhood development – housing, retail and other amenities.

Successfully transforming the Opportunity Corridor area as a community of choice and hub of next-economy economic activity will be a multi-faceted effort requiring a number of supportive elements to ensure its feasibility. The most significant element will be the “civics” necessary to fully develop the integrated strategies and implement them over the long term. Other important elements to support successful implementation include activities related to facilitating the physical aspects of development; enabling targeted, linked business and workforce development; and enhancing neighborhood services and amenities for current and future residents of the Opportunity Corridor area. In sum, while the project team’s scope of work is focused on industrial and commercial development opportunities that can move the Corridor area toward the vision articulated in Section I, these other factors will need attention for development of any economic uses to succeed or be transformative.

Civics

Broad-based, cross-sector civic engagement and leadership are critical to being able to “go big” with respect to development of the Opportunity Corridor area. To be transformative, the integrated strategies – with respect to the economic uses in particular – need to be market-leading, if not market-making. Attaining those results necessitates a clear common vision, broad stakeholder engagement and institutional infrastructure for ongoing, coordinated implementation; each is described further below.

- Develop a shared, clearly articulated vision for the future of the Corridor area, for which this document aims to begin laying the foundation. The process of collectively creating a picture of what the Corridor area can be, and the potential it has for long-term, positive impact in the neighborhoods and broader city, can be a compelling and powerful force for generating enthusiasm and gaining buy-in among stakeholders. Public, private and civic actors, representing neighborhood, city and regional interests, need to work together to develop and own a shared concept of what the Opportunity Corridor area aspires to be. Creating and disseminating such a vision (along with institutional capacity, discussed below) enables stakeholders – particularly the local CDCs, residents and businesses heavily invested in the future of the Corridor area – to define, shape, leverage and drive realization of the economic development opportunities. Stakeholders can assure that they are creating a whole greater than the sum of the individual deals, consistent with their vision for the area. Similarly, they can be leaders and partners in causing the right deals to happen. Without this vision and capacity, the deals may be piecemeal and have less impact, and the local stakeholders may be reduced to negotiating for spoils rather than participating directly in shaping and capturing the wealth creation.

A preliminary vision of how the areas neighborhoods mesh with the fabric of the rest of the City and how they integrate into the regional economy has begun to be articulated in this document – what kinds of places they are, what businesses locate and thrive there, and who lives, works and plays there. It needs to be further built out and elaborated upon – a process that will take time and continue to evolve – to be the “north star” for coordinated neighborhood and economic development efforts.

- Ensure full public-sector engagement and effective implementation – City, state and federal government officials are crucial to making transformation of the Corridor area a reality. Timely, cost-effective construction of the Opportunity Corridor roadway itself is of course the first priority. Beyond this, coordination around land assembly by the Cuyahoga and City of Cleveland Land Reutilization Programs (i.e., County and City land banks); site remediation by US EPA, JobsOhio and other relevant agencies; and other potential investments (e.g., around additional infrastructure

investments, small business support, workforce training, housing, etc.) will be necessary to underpin the economic and neighborhood development strategies necessary to achieve the vision.

- Build deeper and broader stakeholder engagement and sense of ownership among a broad range of stakeholders. Comprehensive, long-term development of Corridor area requires building deeper and broader engagement, as well as a greater sense of ownership over the shared vision among a range of stakeholders, including:
 - CDCs and neighborhood residents
 - Businesses, both local and city-wide/regional
 - Local and regional institutions (e.g., University Hospitals, Cleveland Clinic, Case Western Reserve University, arts and cultural institutions, etc.)
 - Potential key funders and implementation partners (e.g., EGSC, City of Cleveland, Cuyahoga County, NEORSD, philanthropy, etc.)
 - Developers, investors and land owners
- Create the institutional capacity to manage long-term implementation of the strategies necessary to achieve the shared vision. It will also be important to create the institutional infrastructure to “own” the project, manage its implementation and thoughtfully shape the Corridor area over the course of its multi-year development timeline. Successful transformation ultimately requires an institutional infrastructure with a singular vision and sufficient capacity, authority and accountability to manage or coordinate implementation. The coordinating entity needs to be able to facilitate resource prioritization (both human and financial),⁵⁸ integration of sub-strategies and work streams,⁵⁹ and provide the project with a center of gravity and sense of legitimacy.

The right entity or mechanism for carrying out these roles could take several possible forms. For example, an existing, trusted organization might serve as the convener and “hub” of the effort, engaging a cross-sector group of stakeholders (e.g., CDCs, businesses, government, developers, etc.) in coordinated planning, land acquisition and development activities. Alternatively, a new body could be created – not under the umbrella of an existing organization – comprised of these stakeholders to carry out the same purpose.

In addition, as a matter of both engagement and institutional infrastructure (related, but distinct, goals) the group of key stakeholders and implementers currently leading the project may need to be expanded and further institutionalized – and do so in the relatively near term, as the roadway’s continued construction progress will generate market interest in redevelopment opportunities.

⁵⁸ Both human and financial resources – particularly related to land acquisition and remediation – to implement the EGS are limited, and stakeholders often find themselves in competition for those resources. This implies the need to prioritize the wide range of activities and identify the critical path necessary to make development of the OC area successful.

⁵⁹ Work needs to be closely aligned and integrated across stakeholders and realms of activity – e.g., land use aspects coordinating with comprehensive community planning and economic development efforts, etc.

Physical Development⁶⁰

- Stormwater management⁶¹ – When new development occurs, the portion of the development site covered by impervious surfaces (e.g., buildings, pavement) generally increases, reducing the site’s stormwater infiltration capacity. This is particularly true if the site was vacant prior to redevelopment, so covered by nothing other than trees, grasses and other plants (i.e., it was completely pervious). For every new development, the Northeast Ohio Regional Sewer District (NEORS) requires that infrastructure be provided on-site that reduces the increased stormwater runoff to its pre-development level. Typical mechanisms for doing so may include retention and/or detention basins, above and underground infiltration chambers.

These types of infrastructure tend to be rather large in scale to meet the current requirements, so significantly reduce the buildable area of each site on which they are required to be located. To maximize the buildable acreage throughout the Opportunity Corridor area, the Fund and other stakeholders should consider pursuing systemic, district- and Corridor-wide (rather than site-by-site) solutions for managing stormwater. In addition, allowing these infrastructure elements to serve a purpose that is multi-faceted, e.g., as parks, ecological zones or as a water resource for agricultural or manufacturing activities will allow what may seem to be a burden on development to become an asset.

- Site remediation – Currently, information regarding the contamination status of the land in the Opportunity Corridor is incomplete. The *Brownfields Area-Wide Plan* and the *Eastern Section Expanded Plan* identify “Priority Sites” based on a number of sources, including “City and County records, existing environmental resources, regulatory records, public input and observed/existing conditions.”⁶² While this information is useful for planning purposes, it is not sufficient for the purposes of formulating strategic redevelopment plans for specific sites in the Corridor area.

EPA Phase I Site Assessments (and Phase 2 Property Assessments, as appropriate) will be needed on suspected of contamination to fully understand what type of contaminants are present, and the scope of their presence. Only then can remediation options be identified and estimated costs and timeframes for execution be determined. This information is critical to crafting detailed redevelopment plans for sites with suspected contamination, prioritizing remediation activities across the Corridor area and marketing those sites to developers.

To date, EPA Phase I Site Assessments have been conducted on very few sites throughout the Opportunity Corridor area. The project team is aware of Phase I’s begin conducted on 82 parcels in the Burten Bell Carr neighborhood (part of EGZ B). Of those, Phase 2 Property Assessments were conducted on 36 of the 38 parcels for which it was recommended. Given that there are more than 800 vacant and land-banked parcels with industrial zoning and nearly 300 with commercial zoning in

⁶⁰ Physical planning strategies, and landscape and infrastructure systems beyond those outlined in the bullets that follow were not examined in depth in this first phase of work. Additional exploration with respect to those items should be undertaken in a subsequent phase of work (see Section VI, “Next Steps”).

⁶¹ See Appendix Exhibits III-9 and III-10, “Early Action Zones” for further detail on this challenge and its relevance to specific potential development sites.

⁶² *Cleveland Opportunity Corridor Brownfields Area-Wide Plan*, page 33. See page 34 for the specific Priority Site Definition Criteria used in the Plan.

the five EGZs,⁶³ those that have undergone Phase 1 and Phase 2 assessments represent only a small portion of the parcels on which new economic uses are most likely to locate.

The Opportunity Corridor Partnership Office and individual CDCs continue to pursue funding for Phase I and 2 assessments. It will be critical in the next phase of work to understand how to both be flexible in regard to proposed future uses while lining up funding from EPA and State brownfield agencies. Testing to date suggests that many sites will likely exceed the contamination standards for redevelopment even as heavy industrial uses. Many heavy industrial clusters are flat or declining in the region, and are not amenable to location in neighborhoods – hence, they are not among the economic uses this report contemplates for the Opportunity Corridor area. A large-scale and comprehensive strategy for assessment and remediation will be necessary to ensure land assets in the Corridor area are suitable for uses that are compatible with market realities and community desires.

- Interim uses – Phase I Site Assessments are likely to reveal that some share of properties in the Opportunity Corridor area require remediation efforts that will be significant and time-intensive. For those sites, the Fund, CDCs and other stakeholders should consider augmenting the long-term strategy for economic uses with a strategy for interim uses that will put these types of parcels into use while remediation takes place. The specific interim uses that might be feasible will vary based on site conditions and the nature of the remediation activities, but might include biomass farming; timber production; material sorting, stockpiling and repurposing; urban agriculture; large-scale composting; and soil manufacturing.
- Related infrastructure investments – The Opportunity Corridor roadway is a necessary investment to enable redevelopment of the broader area, but not sufficient to ensure the successful implementation of the mutually reinforcing neighborhood development and economic use strategies. Additional, complementary infrastructure investments will be needed, including, e.g., improvements to arterial roads that intersect with or are in close proximity to the OC roadway; streetscaping (e.g., plantings, street furniture, etc.); and possibly green space and enhanced transit service. Opportunity Corridor stakeholders should engage public partners to ensure these elements are being put in place and sufficiently coordinated across the Corridor area.

Business and Workforce Development

Efforts to grow existing businesses and train workers – particularly those already located in the Opportunity Corridor area – should be aligned with and tailored to the economic uses that are being targeted for development.

- Workforce development programming – Ensuring a skilled pipeline of workers to fill in-demand positions will be essential to the success of businesses that locate in the Opportunity Corridor area. Programs should be developed via partnerships between existing workforce development entities (e.g., OhioMeansJobs, Tri-C, etc.) and businesses themselves, to ensure the curriculum is demand-driven and meeting firms' human capital needs. Various types of skill-building programs – e.g., formal skills certifications, short-term courses to upskill un-/under-employed workers, incumbent worker training to increase skills and pay, career prep curricula in local high schools, etc. – can be explored, to engage a wide range of job-seekers/holders.

⁶³ There are also nearly 300 vacant and land-banked parcels that zoned for commercial use throughout the five EGZs, though these are less likely to be contaminated than the industrial parcels.

- Entrepreneurial/small business development activities – To understand potential gaps in service delivery and expertise necessary to grow small businesses in the Opportunity Corridor area, existing information and inventories of the local and regional ecosystem for small business development should be compiled and reviewed in the context of the Corridor area vision. The review would include the needs of start-ups and small enterprises (e.g., management training, mentorship, finance, etc.), the array of providers servicing those needs, and the interconnections among them. It is also critical to ensure that TA and finance, in particular are delivered in a way that is demand-driven – tailored to supporting the types of economic uses articulated in the Corridor area vision, rather than “generic” or one-size-fits all.

As specific uses are targeted for development in the Opportunity Corridor area, efforts should be made to ensure that the economic opportunities are inclusive. For example, mechanisms should be put in place to ensure that business development, contracting and other activities engage diverse populations – including, particularly, existing local residents and nearby businesses – and support their full participation. Efforts should be focused on capacity-building and network-building that enable a diverse array of people and businesses to create and capture value as the Corridor area undergoes economic transformation.⁶⁴ This might be facilitated, in part, by coordinating the work of the Economic Growth Strategy Committee with that of an expanded or reconstituted Inclusion Advisory Committee.⁶⁵

Neighborhood Development

A range of complementary neighborhood development activities – enhancements as a “community of choice” – will also be necessary to attain the Corridor area vision.

- Housing development – The Corridor area vision contemplates a range of housing types and price points, targeted to attracting and retaining particular segments of the regional population. Ensuring there is a sufficient supply of units available, with characteristics attractive to various types of target renters and buyers, will need to be achieved through a comprehensive housing strategy that combines preservation and rehab of existing housing, as well as construction of new units to fill gaps in the existing supply where it is market-feasible.
- B2C amenities – Strategic development of retail, restaurant, entertainment and consumer services amenities tailored to the needs of various populations living throughout the Corridor area will be necessary to attract and retain households. This includes stabilizing and fostering growth of existing viable businesses, as well as attracting new types of B2C amenities to strengthen the appeal of particular sub-areas to targeted household types.
- Other amenities, including public goods – A comprehensive set of infrastructure and institutional investments that will make the OC area more attractive as a place to live – including primary and

⁶⁴ Note that while traditional efforts often aim to extract value (e.g., via opportunistic land sales) or redistribute economic benefits (e.g., each group gets their “fair share” in local hiring), the intent here is to engage an inclusive base of workers and businesses to drive and participate in economic growth. This recommendation does not contemplate a Community Benefits Agreement as the appropriate vehicle for achieving long-term inclusive growth.

⁶⁵ Currently, the efforts of the Inclusion Advisory Committee are focused on ensuring the achievement of the diversity and inclusion objectives related to the construction of the Opportunity Corridor roadway itself.

secondary schools, residential high-speed broadband and others – should be identified, prioritized and implemented to support attraction and retention of population.

V. Illustrative Staging of OC Development

Redevelopment of the Opportunity Corridor area – both with respect to economic uses and a broader set of elements to drive neighborhood development – will be a complex, long-term endeavor. The strategic staging of development activities will play a critical role in building momentum and realizing the overall vision. While the entire Corridor area will be more investment-ready and attractive after the roadway is completed, this boost in market appeal will not be uniform or simultaneous, but rather will take place over time. Staging development activities to include “early wins” that build momentum and begin to move the market will enable subsequent waves of development activity and spur overall transformation.

The exact pace and staging of development cannot yet be determined, as much more work remains to be done to identify detailed uses tied to specific parcels of land, engage the City and other public-sector actors around potential investments and incentives related to the roadway construction, engage private-sector developers, and so on. Very preliminarily, however, one might envision a transformation of the Opportunity Corridor area that begins with an initial set of strategic investments and builds upon itself over a number of years. One such vision is described below.

Identifying and implementing an initial set of large-scale, signature projects is essential to catalyzing development in the Corridor area. Projects that will jump-start development activity are ones that are innovative and high-impact, in terms of both their forward-looking, next-economy character and their ability to create high-quality jobs for local residents. These projects will brand the Corridor and set the tone for future investments. Initial development planning priorities could include, for example:

- *Economic Growth Zones A-C*: Plan and engage in deal-making around some combination of an Integrated Health Services Center, Model Factory, Eco Park, or hub for manufacturing or B2B firms
- *EGZs D-E*: Attract and grow firms in the blue-green infrastructure cluster, to build expertise and capacity for remediation and stormwater activities as Corridor construction moves west
- Design programs and initiatives that align with and support implementation of the primary economic uses, e.g., workforce development, remediation strategy, cooperative stormwater management, interim uses, etc. (see section IV)

As these initial catalytic projects begin coming online, market momentum will build and construction of the roadway will continue to the west. In this second stage of development activity:

- *EGZs A-C*:
 - Blue-green infrastructure technologies and systems (nurtured in EGZs D-E) will be deployed as sites become available for development. This includes growing and monitoring plants and trees to remediate contaminated sites, preparing them for development; “building” soils that are tailored to play a role in stormwater management; and so on.
 - Signature Projects – e.g., the Model Factory, blue-collar B2B hub and Integrated Health Service Center – begin to break ground. These developments attract interest from complementary uses including small food and healthcare supply manufacturers, commercial equipment leasing and repair facilities and others, seeking to locate near these new hubs of activity.

- *EGZs D-E:* Anchor institutions plan for new uses of real estate made available by relocation of blue-collar B2B and hospital “back-office” functions into EGZs A, B and C. New R&D facilities take shape; one or more incubators are created for commercializing bio/health, blue-green infrastructure and other technologies developed in local universities and hospitals; co-working spaces fill mid-range office space in the densest commercial corridors; and so on.
- *Corridor-wide:* Residential and retail markets respond to this wave of new, job-creating development in the Corridor area. Developments are proposed for a mix of new and rehabbed housing for students, blue- and white-collar families – including households drawn to the area by new job opportunities – and seniors, as well as B2C and other amenities aimed at attracting and attaining a diverse array of residents.

Over time, coordination of neighborhood and economic development activities will transform the physical fabric and economic geography of the Opportunity Corridor area, and strengthen these core East Side neighborhoods as communities of choice for a diverse set of residents. Market momentum created by the initial set of signature developments will be compounded by the round of projects that follows, driving a cycle of investment that transforms the communities of the Opportunity Corridor area into a vibrant collection of neighborhoods where northeast Ohio’s residents are drawn to live, work and play.

VI. Next Steps

This report articulates the preliminary findings of a first phase of work in developing the Economic Growth Strategy for the Opportunity Corridor area. This initial, “quiet” stage of the project:

- Articulates a preliminary vision for the Corridor area, both as a hub of economic activity and as a set of interconnected residential neighborhoods;
- Identifies a set of promising, coordinated economic uses, in line with the overall vision and tailored to the characteristics of particular sub-geographies within the Corridor area; and
- Outlines a range of interrelated activities that need to be aligned and effectively executed to ensure the successful transformation of the Corridor area.

These outcomes of this “R&D” phase of the project set the stage for next steps that will bring the vision to ground and move toward specific, implementable development projects. The next phase of work entails several parallel and interrelated streams of activity, grouped under two categories, described below.

Build Out Economic Uses and Shape Actionable Development Deals

The following three interrelated work streams flow directly from the current, foundational phase of work that focused on identifying a preliminary set of transformative economic uses aligned with regional economic opportunities and the Corridor area neighborhoods’ assets and trajectories.

(1) Engage the market to further specify targeted economic uses

The goals of this work stream are to vet and refine the targeted economic uses. First, the team needs to gain an on-the-ground perspective on the region’s cluster opportunities, beyond what is possible to

determine via the quantitative analytics that were undertaken in the first phase. Within each targeted industry cluster, there needs to be a more nuanced understanding of the specific economic activities and functions that are in fact concentrating and benefiting from interactions (e.g. are actually operationally clustering) in northeast Ohio. This information – particularly with respect to *emerging* trends and activities – can only be determined by deeper industry research and interviews.

A deeper understanding of regional cluster dynamics will inform the suitability of uses that have been preliminarily identified, and – assuming that use remains a promising one – how a particular deal will take shape, compared to example projects elsewhere in the country. In addition to vetting uses already identified, new ones might also be surfaced that were too nascent to appear in the first phase of work.

Gaining this nuanced understanding of the region’s clusters and highest-potential uses requires engaging the market (developers, industry experts, firms, etc.) to dive into details of what is emerging and what specific projects could look like, test hypotheses on what is market feasible, identify where the strongest market competition lies, and so on. This work will enable development of detailed project details and location profiles – including site and building characteristics, infrastructure access, workforce/wage profile, etc. – and prioritization of projects/uses, with a particular focus on filling out the details of a first wave of high-impact Signature Projects.

(2) Identify and prioritize potential sites for a first wave of development projects

This stream of work seeks to identify the most suitable sites for priority Signature Projects, and determine a set of land acquisition criteria and a strategy for staged assembly of priority parcels. More in-depth analysis of potentially developable land in the Corridor area can take place in parallel with vetting, fleshing out and prioritizing targeted economic uses (in (1), above). Among the most important factors to understand in greater detail are:

- *Real estate economics* – e.g., historic trends (with a particular focus on recent market activity) related to industrial and commercial office sale prices, lease prices and terms, vacancy rates, absorption, time on market, etc.;
- *Parcel-level ownership* – e.g., which sites in the Corridor area are already assembled under common ownership, where there are publicly owned and land-banked properties to be leveraged, etc.;
- *Contamination and clean-up status* – e.g., which parcels will require longer timelines for remediation, which are likely to have constrained alternatives for reuse (given the extent of contamination), etc.; and
- *Nature and condition of existing infrastructure and site improvements* – e.g., sewer, water, electricity, high-speed broadband and other elements that are priority location factors for targeted economic uses (as identified in (1) above); and the condition of existing structures on potential redevelopment sites.

It will be necessary to work with the City and County to determine the degree of flexibility that might be possible with respect to zoning and regulatory issues (e.g., stormwater management, parking requirements, permitting, etc.), which are likely to factor into enabling mixed-use, transformative projects on particular parcels.

The results of streams (1) and (2) will need to be synthesized to reassess and potentially revise the boundaries of the Economic Growth Zones, and the particular economic uses that are most suitable for each.

(3) Develop a “go-to-market” strategy

This work stream will identify and stage the actions necessary to pursue a first wave of deals for priority development projects. Steps – many of which can be executed in parallel, rather than sequentially – will likely include:

- Develop, organize and begin implementing a coordinated land assembly strategy, taking into account the phasing of development projects as well as the appropriate mechanism/entity for assembly, available funding sources, etc. Acquisition and land banking is already underway by some stakeholders; efforts should be prioritized, strategic and aligned to be most effective.
- Determine the desired staging of Signature Projects and other development projects, and identify appropriate transitional or interim uses on sites for which development of permanent uses is anticipated to take place on a longer timeline.
- Articulate the project brand, vision and development criteria, including crafting clear and concise messaging around desired outcomes and priorities for development and the process and criteria for selecting various types of partners (see below). Collateral materials that express these messages may include, for example, an “elevator speech,” project one-pager, short presentations, etc.
- Engage developer and equity/financing partners, via direct outreach or a formal Request for Qualifications/Proposals (RFQ/P) process.
- Engage resource partners that can provide particular expertise to the effort, including, for example, public-sector entities with responsibility for transportation, water and other infrastructure; City and County zoning and planning offices; entities with access to financing tools such as New Markets Tax Credits (NMTCs); and so forth. (See also item (5), below.)
- Begin predevelopment activities, such as site planning for particular developments, supplemental infrastructure design (e.g., sidewalks, streetscaping, etc.), environmental assessment and site remediation, etc.

Before any of these “go-to-market” activities can be carried out, decisions need to be made regarding what entity will execute them, including how the entity managing development should relate to existing institutions and stakeholders. Whether this executing entity is independent, an affiliate of an existing entity, a coalition of existing organizations or something else, it should be broadly credible and business-like. See item (6), below, regarding “big civics” for further discussion.

Support Broader Corridor Area Transformation

Developing transformative economic uses on particular sites in the Corridor area must inform, be informed by and closely coordinate with several other streams of related work. Some of the activities outlined below may be most efficiently carried out by the same parties undertaking items (1) through (3) above, while others will be best executed by other actors.

(4) Develop coordinated neighborhood development strategies

In the first phase of the project, local neighborhoods' existing plans and activities were reviewed and the most preliminary stages of comprehensive neighborhood planning⁶⁶ were initiated with relevant CDC partners. Additional efforts should be undertaken to enable the CDCs, residents, businesses and other stakeholders to develop and execute aligned strategies targeted and tailored to the relevant sub-geographies of the Corridor area (e.g., the preliminary NDZs and EGZs) and the overall Corridor area vision. These include strategies related to housing, retail and other amenities tailored to attract and retain particular populations; and entrepreneurship, business development and workforce development activities that align with the targeted economic uses for the Corridor area.

(5) Address area-wide physical development issues

Several aspects of physical development surfaced in the first phase of work that warrant further exploration, and consideration of solutions that are Corridor-wide, rather than (or in addition to) parcel-specific. These include stormwater management, which may be more cost-effectively addressed at larger geographies; remediation strategies, which might include large-scale assessment approaches using non-traditional/alternative technologies; and other issues that arose in exploring the three EAZs, and are likely relevant elsewhere in the Corridor area as well (e.g., the relationships and interactions between adjacent industrial and residential uses).

In addition, broader planning issues and opportunities for integrated infrastructure and systems should be further explored for the Corridor area. This refers to physical elements that can provide a competitive advantage in attracting desirable types of economic activities and contribute to a sense of place, identity or branding for the Corridor area. For example, shared blue-green infrastructure to manage stormwater (and reduce businesses' costs), a system of landscaped buffers to address adjacencies between industrial and residential uses, coordinated phytoremediation efforts that might transition to a permanent network of green space over time or realignment of arterial streets to accommodate these or other infrastructure elements and systems.

(6) Plan and execute "big civics"

This work stream aims to (a) broaden and deepen stakeholder engagement related to further articulating the Corridor area vision and coordinated development of strategies to achieve it (see also Section IV, "Civics") and (b) develop the institutional capacity and infrastructure for implementation. The first category of activities includes expanding the "table" of stakeholders to include those that represent local, city-wide and regional interests; as well as the public, private and civic sectors – CDCs, local businesses and anchor institutions, regional employers, real estate developers, City/County/State government, etc. Together, stakeholders can begin to create a mechanism for refining the vision and appropriately coordinating strategies across the Corridor area to achieve that vision. First steps in this "big civics" process might include identifying a champion for the effort – a trusted, universally respected convener and advocate – and fleshing out a structure and protocols for how cross-sector stakeholders can engage in the effort and fully participate in shaping the vision and aligned strategies for the Corridor

⁶⁶ This was done using the Neighborhood Business Planning (NBP) framework developed by RW Ventures, LLC. An example of a completed NBP for a set of neighborhoods on the south side of Chicago – including a discussion of the underlying approach – can be found at <http://www.greaterchathaminitiative.org/plan/>.

area. Broader community engagement might take place via a series of charrettes or other venues for public input to vet and shape the preliminary economic uses.

The second category of activities relates to identifying the right mechanisms and structure to manage development – implementation of the integrated economic use and neighborhood strategies to achieve the overall vision (see also item (3), above). This might entail creating an entity that can act to some degree as the “master developer,” issuing RFPs to the development community, reviewing their proposals and making collective decisions about the future of the Corridor area. Structurally, this could take a variety of forms, ranging from a stakeholder network that operates based on memoranda of understanding, to a formal development authority focused on the Corridor area geography, among other options.

In addition, it will be necessary to determine how the City, County and State are willing and able to participate as partners in driving development activity beyond construction of the Opportunity Corridor roadway itself. Potential elements for exploration might include financial incentives, construction of complementary infrastructure (e.g., green space, streetscaping, etc.), workforce development funding targeted to uses aligned with the strategy, prioritization of the Corridor area for federal funding streams such as CDBG, HOME and so on.

VII. Conclusion

The time is right to “go big” and invest in the future of Cleveland’s core East Side neighborhoods. Twenty-first-century economic dynamics are creating unprecedented opportunities for transformative, economic place-making in urban environments. These forces place a premium on proximity, density, mixed uses and rich, cross-sector networks – all of which exist in or are waiting to be activated in this part of Cleveland. All of northeast Ohio has a stake in what happens in these communities, as the fate of the region and its neighborhoods are inextricably intertwined. Inclusive growth – driven by diverse workers, businesses and markets – has become imperative for sustainable, long-term economic success. Construction of the Opportunity Corridor roadway, which will open up access to this set of well-located but under-invested communities, provides a unique moment and point of leverage to change the economic geography of metropolitan Cleveland, boosting the prosperity of both the neighborhoods and the region.

This first phase of work on the Economic Growth Strategy contributes to laying the groundwork for transforming the Corridor area, and establishes a path for moving forward. The overarching, integrated vision – as a hub of next-generation economic activity and interconnected set of residential communities – must be further fleshed-out. The preliminary economic uses and potential Signature Projects need to be vetted, refined and tested with the marketplace. A broad range of other elements – from housing to stormwater management to “big civics” and many others – must also be addressed in a comprehensive and coordinated manner. The prior section of this report (Section VI) begins to lay out a roadmap for the next steps that will move the Economic Growth Strategy forward from planning to action: market-feasible projects, real estate deals and a complementary array of mutually reinforcing development activities.

Northeast Ohio and Cleveland’s East Side neighborhoods are long overdue for the investment, momentum and prosperity that construction of the Opportunity Corridor has the potential to generate.

A forward-looking, aspirational vision for of the area – with respect to both redevelopment of latent land assets and revitalization of the area’s core neighborhoods – and a broad-based, collaborative and integrated implementation effort will enable the successful realization of this once-in-a-generation opportunity.

The project team is very enthusiastic about the potential for transformative change in the Corridor area, and the inclusive, long-term growth that it can generate for the East Side and broader region. We look forward to working further with the Fund for Our Economic Future, the Opportunity Corridor Partnership Office, CDCs, City and County governments, local and regional businesses and a broad array of other stakeholders to continue refining the vision and making it a reality.